

Date: 10<sup>th</sup> August, 2022

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

**Scrip Code: 526871**

**Subject: Submission of Annual Report along with Notice of 28<sup>th</sup> Annual General Meeting (“AGM”) of Intec Capital Limited for the FY 2021-22.**

Dear Sir / Ma’am,

Further to our intimation dated August 05, 2022, and pursuant to the provisions of Regulations 30 and 34 read with Para A of Part A of Schedule III to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “SEBI LODR”), read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015, we wish to inform that the Twenty Eighth (28<sup>th</sup>) Annual General Meeting (“AGM”) of the members of the Company will be held on **Monday, September 05<sup>th</sup>, 2022 at 12.00 noon (IST)** through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”) facility in compliance with the applicable provisions of the Companies Act, 2013, rules framed thereunder and the SEBI LODR read with MCA General Circular Nos.14/2020, 17/2020 and 20/2020 dated April 8, 2020, April 13, 2020, May 05, 2020 and 05 May 2022 respectively, issued by the Ministry of Corporate Affairs (“MCA Circulars”) and and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 (“SEBI Circular”) (collectively referred to as “relevant circulars”) and other applicable circulars.

We hereby submit a copy of the Annual Report for the FY2021-22 including 28<sup>th</sup> AGM Notice.

Further, in terms of Regulation 46 of SEBI LODR, the Annual Report along with the AGM Notice is also available on the website of the Company at [www.inteccapital.com](http://www.inteccapital.com).

The Notice of the ensuing 28<sup>th</sup> AGM of the Company and the Annual Report for financial year ended March 31, 2022, are being dispatched to the Members, whose email IDs are registered with the Company or their Depositories, through electronic mode today.

We request you to take the above on record and that the same be treated as compliance under the applicable provisions of the SEBI LODR.

**Thanking You,  
Yours Sincerely,  
For Intec Capital Limited**

**Vandana Das  
Company Secretary & Compliance Officer**

Encl: As above

**INTEC CAPITAL LTD.**

CIN: L74899DL1994PLC057410

Regd. Off.: 708, Manjusha Building, 57 Nehru Place, New Delhi – 110019. T +91-1146522200/300 F +91-114652 2333

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



Sapne Aapke, Bharosa Apno Ka

# **ANNUAL REPORT**

# **2021-2022**

**Disclaimer**

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

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## From the Desk of Managing Director

Dear Shareholders,

As you must know, while the world celebrated the continuous decline of the Coronavirus pandemic and India eased its restrictions in the beginning of this calendar year, Russia prepared for something else - an attack on its neighbour, Ukraine. The ensuing war, which continues till the writing of this letter, has devastated millions. However, for those of you who have the luxury of reading this at our comfortable homes, there's one major takeaway - the deep integration of each country's economy with the world economy. Dearth of commodities, soaring inflation, and reducing supply has pushed several countries to the brink of a recession. In fact, this scenario had a much deeper impact in our own neighbourhood. Sri Lanka, today, is being forced to manage the survival of its citizens with a virtually empty treasury.

Moreover, the industry in which your company operates has also witnessed the occurrence of several noteworthy events. The largest Insurance player of the country finally got listed but has not been able to showcase the command it holds on the market through numbers. Further, NARCL, which was set up as a "Bad Bank" by the RBI for further clean-up of Public Sector Banks balance sheets, is yet to complete its first major transaction.

Things may have seemed slow on one hand but on the other, various "revenge" outings, be it restaurants, travel, movies, or the like, have restored normal order

to otherwise burdened businesses during Covid. As your Managing Director alluded to last year, the night is darkest just before dawn.

### Economic Outlook

Coming out of the Pandemic coupled with the recent trend of "China+1" policy adoption by several conglomerates allowed our GDP to grow at a rate of 8.7% in this fiscal. Although lower than projected, India is once again on track for realising the ambitious goals set by our Prime Minister.

On the start-up aspect, however, India has seen better days. This ecosystem which previously had been recruiting at a cheetah's pace applied its brakes and in fact, even switched to the reverse gear by laying off employees by the dozens. It is rather unfortunate that this coincided with the now dubbed "Great Resignation" (where thousands if not millions of employees handed in their resignations, often in the wake of revocation of work-from-home policies). Talk about a double whammy.

Conversely, the banking sector saw the NPA levels drop to the lowest levels in almost 6 years. The effects of Covid have waned and the balance sheets of financial institutions have largely been cleaned after years of provisioning. One could say that for India, things are looking up.

### Intec Outlook

We continue to clean our books and pay back our creditors. The company is on the continuous journey on paying back its lenders, collection of all its NPAs and becoming profitable. As a result of the full-fledged opening of the Indian Courts of law after almost 2 years, we were able to recover a healthy amount of our erstwhile written off debts. Moreover, although declining, the burden of our operational costs kept our operational profit from being in the green. However, as a demonstration of our success in returning the money to our lenders, we were able to secure approvals for certain waivers and paid back some of these lenders. On the back of these waivers, your Company recorded a digestible profit of over Rs. 3 Crores.

The year passed was another eventful one. We further strengthened our team with the on boarding of several senior individuals who bring with them their unique experience and expertise in recovery related matters. You can be rest assured that we are making the best out of the resources available.

Now, with the support of the judicial system behind us once again, we expect that we will be able to pursue our legal remedies with more effectiveness enabling us to realise the fruits of our arduous efforts; they have been long due. Your Managing Director does not expect that you will need to be patient for much longer.

On behalf of the Board of Directors, I would like to extend my gratitude to our shareholders, customers, bankers and all other stakeholders who continue to support us. I would also like to thank our team members who continue to work-hard and deliver results, allowing us to continue fighting the good fight.

**Sanjeev Goel**  
Managing Director  
DIN: 00028702

## CORPORATE INFORMATION

### MANAGING DIRECTOR

MR. SANJEEV GOEL

### NON-EXECUTIVE INDEPENDENT DIRECTOR

MR. S.K. GOEL  
MR. RAKESH KUMAR JOSHI  
MR. RAMESH CHANDER TYAGI (RESIGNED W.E.F. 05.07.2022)  
MS. SHILPY CHOPRA (APPOINTED W.E.F. 12.05.2021)  
MRS. ALKA GARG (RESIGNED W.E.F. 13.07.2021)  
MRS. SHALINI RAHUL (APPOINTED W.E.F. 13.10.2021)

### CHIEF FINANCIAL OFFICER:

MS. RADHIKA RAUTELA (RESIGNED-  
W.E.F. 27.05.2022)

### COMPANY SECRETARY & COMPLIANCE OFFICER:

MS. VANDANA DAS

### SUBSIDIARY COMPANY

AMULET TECHNOLOGIES LIMITED

### COMMITTEES OF BOARD

Audit Committee  
Asset Liability Cum Risk Management Committee (ALRMC)  
Corporate Social Responsibility Committee  
Nomination and Remuneration Committee  
Shareholders/Investors' Grievance Committee cum Share Transfer Committee cum Stakeholders Relationship Committee

### STATUTORY AUDITORS

S.P. Chopra & Co. Chartered Accountants  
Address: Firm Registration Number - 000346N,  
31 – F, Connaught Place,  
New Delhi – 110001

### SECRETARIAL AUDITOR

M/s. Puneet Pandey & Associates (FRN: S2020DE718200)  
Address: C-4/216/217, 3rd Floor, Sector-6, Rohini, New Delhi-110085

### BANKERS

Bank of India - Lead Bank  
Bank of Maharashtra  
Central Bank of India  
ICICI Bank  
Indian Overseas Bank  
Punjab National Bank

### Registered and Corporate Office

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

### REGISTRAR & SHARE TRANSFER AGENT FOR FULLY PAID-UP LISTED EQUITY SHARES

Beetal Financial & Computer Services Pvt. Ltd.  
Address: Beetal House, 3<sup>rd</sup> Floor, 99, Madangir, Behind LSC, New Delhi – 110062  
Tel. No. – 011-29961281-283; Fax 011-29961284  
Email: Beetalrta@gmail.com



## BOARD'S REPORT

To  
The Shareholders,

Your Directors have pleasure in presenting their report on business and operations of the Company together with 28<sup>th</sup> Annual Audited Accounts for the financial year ended 31<sup>st</sup> March, 2022.

### 1. BACKGROUND

Intec Capital Limited ("Company" or "ICL") was incorporated in India on February 15, 1994, was registered with Reserve Bank of India (RBI) as a

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

### 2. FINANCIAL HIGHLIGHTS

The performance of the Company for the Financial Year ended March 31, 2022 is summarized below

(Amounts in Lacs)

Particulars	Standalone		Consolidated	
	FY2022	FY2021	FY2022	FY2021
Total Revenue	1094.67	804.07	979.82	696.49
Less: Total expenses	1383.37	(1021.16)	1400.46	(1004.53)
Profit/Loss before Taxation & Exceptional Items	(288.70)	1825.23	(420.64)	1701.02
Gain on Extinguishment of borrowings under One Time Settlement	662.72	864.53	662.72	864.53
Profit/loss before Taxation	<b>374.02</b>	<b>2689.76</b>	<b>242.08</b>	<b>2565.55</b>
Tax expenses:				
Deferred tax	14.92	755.85	14.92	755.85
Earlier year tax	-	30.32	-	30.32
<b>Profit/Loss after Tax</b>	<b>359.10</b>	<b>1903.59</b>	<b>227.16</b>	<b>1779.38</b>

*Note: The above figures are extracted from the Consolidated and Standalone Financial Statements prepared in accordance with Indian Accounting Standards ("Ind AS") as notified under Sections 129 and 133 of the Companies Act, 2013 ("the Act") read with the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act*

*and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").*

### 3. TRANSFER TO RESERVES

As per Section 45-IC of the Reserve Bank of India Act, 1934 ('RBI Act'), every NBFC is required to transfer a sum not less than twenty percent of its net profit for the year to the 'Statutory Reserve as per Section 45-IC of RBI Act'. As during the year the company has transferred Rs. 71.82 Lacs to the said reserve.

### 4. RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

**Highlights of the Company's consolidated performance for the financial year ended 31st March, 2022 are as under:**

- Consolidated Revenue: Rs. 979.82 Lacs
- Consolidated Net Profit: Rs. 227.16 Lacs

In accordance with the provisions of the Act, Regulation 33 of the SEBI Listing Regulations and applicable Accounting Standards, the Audited Consolidated Financial Statements of the Company for the financial year 2021-22, together with the Auditors' Report form part of this Annual Report.

The Audited Financial Statements including the Consolidated Financial Statements of the Company



as stated above and all other documents required to be attached thereto are available on the Company's website at <https://www.inteccapital.com/wp-content/uploads/2022/05/Outcome-Of-Board-Meeting-Held-On-28<sup>th</sup> May-2022.pdf>. The financial results of the Company and its Subsidiaries are elaborated in the Management Discussion and Analysis Report, which forms part of this Annual Report.

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

## 5. DISCLOSURE OF ACCOUNTING TREATMENT

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

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

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

## 6. PRESENTATION OF FINANCIAL STATEMENTS

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

## 7. SHARE CAPITAL

The Issued, Subscribed and paid-up Equity Share Capital of the Company as on 31<sup>st</sup> March 2022 is Rs. 18,36,62,500.00 (Rupees Eighteen crores Thirty Six Lacs Sixty Two thousand Five Hundred Only).

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

## 8. DIVIDEND

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

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

Covid-19 pandemic and subsequent nationwide lockdown imposed has adversely impacted the cash flow of Company during the Financial Year 2021-22. The Company is continuously endeavoring to deal with the situation and boost collections by means of incentivizing customers to make regular payments. However, the extent of impact is difficult to crystallize. Nevertheless, in current FY 21-22, Company has a profit of Rs. 359.10 lacs as compared to the Profit of last FY 20-21 of Rs 1903.59 Lacs. Profit in this FY 21-22 is mainly because of gain on extinguishment of borrowings under one time settlement with banks of Rs 662.72 lacs.

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

## 10. ASSOCIATES COMPANIES, JOINT VENTURE AND SUBSIDIARY COMPANIES

As on March 31, 2022, the Company does not have any associate company, Joint venture. Further, the Company has one Wholly Owned Subsidiary i.e. Amulet Technologies Limited which was incorporated as private limited company on 30<sup>th</sup> April 2011. It was converted into a Public Limited Company on 27<sup>th</sup> March 2012.

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

## 11. CREDIT RATING

During the year under review, no credit ratings / revision in Credit Ratings were done by CARE Rating.

## 12. RISK MANAGEMENT

The Company has in place a Risk Management Policy in line with the business requirement. The Risk Management Committee was constituted originally on 8<sup>th</sup> January 2013 and was reconstituted from time to time according to need of the company. Thereafter the Asset Liability Committee was merged with Risk Management Committee and formed Asset Liability Cum Risk Management Committee (ALRMC) on 9<sup>th</sup> February 2020. This Committee has been entrusted with the responsibility of Formulation of policies, procedures and practices to identify, evaluate, address and monitor risk and to ensure business growth plans are supported by effective risk infrastructure. The Risk practices and conditions adopted are appropriate for the business environment and to assist the Board in discharge of its duties & responsibilities and in overseeing that all the risks that the organization faces such as strategic, financial credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

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

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

## 13. INTERNAL FINANCIAL CONTROLS

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

The Board of Directors confirms that the company has established systems, standards, processes and structure which supports to implement Internal Financial controls across the organization and which provide reasonable assurance regarding reliability of financial reporting and preparation of

financial statements. The Directors Responsibility Statement (DRS) also emphasis that company's IFC are adequate and operating effectively with respects to financial statements.

## 14. INTERNAL CONTROL SYSTEMS

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

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

## 15. HUMAN RESOURCES

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

## 16. CORPORATE SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

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

The company firmly believes that our society can truly progress, if every individual is included and

empowered in the story of development. Thereby, company is not just focused around the offices of the Company, but also improves a healthy & prosperous environment and to improve the quality of life for the next generation.

In view of average net loss of Rs.3011.79 Lacs in preceding three financial years, the Company was not required to spend under CSR for the financial year 2021-22.

The CSR Policy is available on the Company's website at <http://www.inteccapital.com/wp-content/uploads/2021/07/CSR-Policy.pdf>.

In view of aggregate losses as per the calculation of net profits as per the provisions of the Act, your Company was not required to spend any amount towards CSR during the financial year under review. Accordingly, no CSR activity was undertaken by the Company during the FY 2021-22.

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

of Annual Report.

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

## 17. RBI COMPLIANCE

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

The Company continues to comply with all the requirements prescribed by the Reserve Bank of India (RBI) from time to time. The Company has appointed Internal Ombudsman and Principal Nodal Officer as per the relevant notifications of RBI to carry out duties and discharge functions. With respect to provisioning of Non-Performing Assets, the Company follows stricter norms than those prescribed by RBI.

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

### CAPITAL ADEQUACY RATIO:

Particulars	Standalone		Consolidated	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Tier I Capital	488.25	330.16	1671.84	1686.84
Tier II Capital	0.09	1.18	0.09	1.18
Total Capital Funds	488.34	331.34	1671.93	1688.02
Risk Weighted Assets	10435.96	11772.38	9629.05	10935.28
CET1 capital ratio	4.68%	2.80%	17.36%	15.43%
CET2 capital ratio	0.00%	0.01%	0.00%	0.01%
Total capital ratio	4.68%	2.81%	17.36%	15.44%

## 18. NON ACCEPTANCE OF PUBLIC DEPOSITS

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

## 19. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

## 20. BOARD OF DIRECTORS

### 20.1 Appointment of Directors

During the year under review, following appointment(s) has been done on Board:

- Subject to approval of shareholders, Ms. Shilpy Chopra (DIN: 07161915) was inducted as Non-Executive Independent Director by Board of Directors for a consecutive period of five (5) years for a term starting from 12th May 2021 and ending on 11th May 2026. Further, the appointment was approved by the shareholders at the Annual general meeting held on 15<sup>th</sup> September, 2021.
- The appointment of Mr. Ramesh Chander Tyagi (DIN: 09009275), as Non-Executive Independent Director of the Company who was appointed by Board of Directors for a consecutive period of five (5) years starting from 26th December, 2020 to 25th December, 2025 was approved by the shareholders at the Annual general meeting held on 15<sup>th</sup> September, 2021.
- Subject to shareholders' approval, Mrs. Shalini Rahul (DIN :09357650) was inducted as Non-Executive Independent Director by Board of Directors for a term of five years, i.e., from October 13, 2021 to October 12, 2026. Further, the appointment is placed for approval of the shareholders at the ensuing Annual General Meeting.

#### a. Re-appointment of director liable to retire by rotation

At the 28<sup>th</sup> Annual General Meeting of the Company the Directors recommends the re- appointment Mr. Sanjeev Goel (DIN: 0028702) Managing Director on the Board of Directors of the Company who is liable to retire by rotation and being eligible, offer himself for re-appointment, and his re-appointment shall not tantamount to break in the tenure of appointment as Managing Director and all other terms and conditions of the re-appointment shall also remain unchanged pursuant to the provisions of Companies Act, 2013.

#### b. Resignation

During the year under review Mrs. Alka Garg

(DIN: 00829898), Non-Executive Independent Woman Director has resigned from the Board with effect from 13 July 2021 on account of pre-occupation in other assignments. The Board hereby express its gratitude for the invaluable contribution made by Mrs. Alka Garg, Non-Executive Independent director during her period of association with the Company.

Due to unfortunate demise of Mr. Ramesh Chander Tyagi, (DIN 09009275), Non-Executive Independent Director, he has ceased to be Director on Board with effect from 05 July 2022. His sudden and unexpected passing away will be an irreparable loss to the Company.

#### c. Independent Directors and their declaration

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

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

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

Directors of the Company within the stipulated time period.

#### **d. Directors' Profile**

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

1. Mr. Sanjeev Goel is the Founder & Managing Director of Intec Capital Ltd. With over 29 years of experience, he's the main driving force behind the success of Intec Capital Ltd. Sanjeev stepped into the corporate world more than 29 years ago as a Financial Controller of Jay Bharat Maruti Ltd. His aspiration to become an entrepreneur led to the genesis of Intec Securities (now Intec Capital Limited) in 1994 with a vision to place the Company as the most preferred financial service provider for every Indian entrepreneur. His rich experience of the financial market and in SME segment, coupled with his ability to gain the confidence of stakeholders and customers and positioned the Company as one of the leading Non-Banking Financial Institutions in India. Mr. Goel is a Chartered Accountant and holds a Master's Degree in International Finance from the University of LOWA (USA).
2. Mr. S. K. Goel has more than 45 years of experience in the technical field and his technical expertise has come in very handy for the company as most of the enterprises funded by Intec are technology based enterprises. In the past, he has served in industries such as Power (Nuclear, Coal, Gas & Hydro), Petrochemical, and Marine, Defense & Structural (Bridges and Buildings). He has held esteemed positions at Hindustan Engineering Inspection Services and ISGEC. Presently he is associated with Atlas Engineering & Inspection Services Private Limited as Director. Mr. Goel holds a Bachelor's degree in Science. He is a certified Level III professional and is also a member of American Society for Nondestructive Testing and American Welding Society.
3. Mr. Rakesh Kumar Joshi has over 36 years of experience in the field of Accounts, Finance & General Administration. In the past, he has held various senior positions in Media, Engineering, Software, Telecommunication, Real Estate, Hospitality & Infrastructure Industries. He also served as Alternate Director in addition to Vice President (Finance) during his association with Carl Schenck AG (German MNC). He has also served as Group Finance Controller for a large conglomerate group at the international level in Africa. Presently, he is Chief Financial Officer of an infrastructure company, which is a subsidiary of Ahluwalia Contracts (India) Limited. Mr. Joshi is a Chartered Accountant. He also holds Diploma in Corporate Law from Indian Law Institute (Ford Foundation) & Master's in Business Administration from FMS-University of Delhi.
4. Mr. Ramesh Chander Tyagi was a retired officer of Ministry of Defence. He had retired from his post in the year 2010. He was born in Delhi and he is Post Graduate in ARTS stream from Delhi University. Post retirement he contributes his experiences towards various organisations by assisting and consulting them for a greener environment as social cause. His unfortunate demise is an irreparable loss to his family and organization as a whole. The Board of Directors express their deep condolence to the family and place appreciation on record for the guidance and contribution during his tenure as Independent Director on Board.
5. Ms. Shilpy Chopra is a Qualified Company Secretary. She holds Masters Degree in Commerce and Business Administration (Finance). She is also a Law Graduate. She has experience more than 13 years in field of Advisory. She is an Independent Women Director in three Listed Companies.
6. Mrs. Shalini Rahul is an Associate Professor in the area of Strategy, Innovation & Entrepreneurship at IMT Ghaziabad. She is currently the Chairman for Fellow Program in Management (equivalent to the Doctoral Program). She is also the NISP Coordinator (National Innovation and Start-Up Policy) for the institute and Faculty Mentor for the Entrepreneurship Cell (E-Cell). She teaches courses such as – Strategic Management, Strategy Implementation, Strategy Simulations (Capsim, Market place, and EnParadigm), Entrepreneurship and Business Development in India, Strategies in Emerging Markets, and Design Thinking. She has done her Ph.D. in Strategic Management from MDI, Gurgaon,



India. Having served in various capacities, she has gathered a rich experience of 23 years. She has a keen interest in academic administration, research, teaching, training, and consultancy. She has written several research articles, case studies, book chapters, short articles, and books for various international and national publications. She is an Independent Women Director in two Listed Companies.

## 21. EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

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

Pursuant to the provisions of the Companies Act, 2013 and in terms of requirement of other applicable provisions of SEBI LODR, 2015, the Board has carried out an Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of the Committees. On the basis of performance evaluation done by the

Board, it shall be determined whether to extend or continue their term of appointment, whenever the respective term expires.

The Independent Directors had met separately without the presence of Non-Independent Directors and the members of management on Monday, February 14th 2022 and discussed, *inter-alia*, the performance of non-independent Directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of Executive and Non-Executive Directors.

The Nomination and Remuneration Committee has also carried out evaluation of Director's performance during Financial Year 2021-22.

## 22. POLICY ON APPOINTMENT OF DIRECTORS AND REMUNERATION POLICY OF THE COMPANY

The Nomination and Remuneration Committee as on March 31, 2022 comprises of the following Directors viz. Mr. S. K. Goel (Non-Executive Independent Director), Mr. Rakesh Kumar Joshi (Non- Executive Independent Director) and Mr. Ramesh Chander Tyagi (Non-Executive Independent Director). Further, the committee was re-constituted and the Committee has following members as on the date of this report:

Sr.	Name of Director	Designation	Position
1	Mr. S.K. Goel	Non-Executive Independent Director	Chairman
2	Mr. Rakesh Kumar Joshi	Non-Executive Independent Director	Member
3	Mrs. Shalini Rahul	Non-Executive Independent Women Director	Member

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

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

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

The Policy is annexed at **Annexure-3** to this report which forms integral part of this report. The contents of the policy are uploaded in the company's website viz. [www.inteccapital.com](http://www.inteccapital.com).

## 23. DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE ACT READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014



During the year under review, the information related to Statement of particulars of employees pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year ended 31st March, 2022 is annexed

at **Annexure-4 & Annexure-4A** which forms part of this report.

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as given below:-

Code	Employee Name	Designation	Functional Designation	Department	Monthly CTC	Yearly CTC
11545	Mr. Hariom	Vice President	Chief Recovery Officer	NA	525000	6300000
11548	Mr. Gaurav Gaba	Associate Vice President	Head- Legal	Legal	245832	2949986
11557	Mr. Arvind Kumar Jha	Associate Vice President	Head - NCLT	Legal	229166	2749992
11504	Mr. Pranav Goel	Chief Manager	Chief Manager - IT Infra and Software	IT Infra and Software	125000	1500000
10006	Ms. Anju Srivastava	Chief Manager	Chief Manager - Finance & Accounts	MD's Office	117222	1406664
10820	Mr. Dinesh Negi	Chief Manager	Chief Manager - Legal Collections	Legal	112907	1354884
11426	Ms. Radhika	Senior Manager	CFO	Finance & Accounts	100886	1210632
11519	Mr. Dhruv Goel	Chief Manager	Chief Manager-Finance & Legal	Legal	97500	1170000
11577	Ms. Shikha	Manager	Manager-Legal	Legal	85000	1020000
11508	Ms. Chandan	Manager	Manager - NCLT	Legal	83335	1000020

None of Directors is holding any shares in the company except Mr. Sanjeev Goel, Managing Director holding 12,44,464 fully paid equity shares as individual promoter category.

During the year ended March 31, 2022, Mr. Sanjeev Goel, Managing Director was paid the remuneration amounting Rs. 129.99 Lacs excluding sitting fees of Rs. 50,000, the break-up of which is mentioned in corporate governance report which forms part of this report is in compliance with the applicable provisions of the Companies Act, 2013 read with rules made there under in compliance with Schedule-V of the Companies Act, 2013.

## 24. SEBI COMPLAINTS REDRESS SYSTEM (SCORES)

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

the complaint and its current status.

## 25. KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 203 of the Act, Mr. Sanjeev Goel, Managing Director, Ms. Vandana Das, Company Secretary ("CS"), Ms. Radhika Rautela\*, Chief Financial Officer ("CFO") were the Key Managerial Personnel ("KMP") of the Company as on March 31, 2022.

*\*Ms. Radhika Rautela, Chief Financial Officer of the Company has resigned w.e.f 27th May 2022.*

## 26. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors, including audit of internal financial controls over financial reporting by the Statutory Auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that

the Company's internal financial controls were adequate and effective during FY 2021-22.

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

- a) in the preparation of the annual accounts, the applicable accounting standards and guidance provided by The Institute of Chartered Accountants of India have been followed and that there are no material departures thereof;
- b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and cash flows of the Company for the year;
- c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they had prepared the annual accounts on a going concern basis;
- e) they had laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and operating effectively;
- f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

## 27. CORPORATE GOVERNANCE REPORT

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by the Securities and Exchange Board of India ("SEBI"). The Company has also implemented several best governance practices. The report on Corporate Governance for the financial year

ended on March 31, 2022 along with Certificate issued by the M/s Hannu Goyal and Associates, Company Secretaries confirming the compliance to applicable requirements related to corporate governance as stipulated under Schedule V of the Listing Regulations forms part of this Annual Report as **Annexure-5 & Annexure-5A**.

## 28. NUMBER OF MEETINGS OF BOARD OF DIRECTORS

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

The size of the Board is commensurate with the size and business of the Company. As on March 31, 2022, the Board comprised Six Directors viz. Mr. Sanjeev Goel, Mr. S.K. Goel, Mr. Rakesh Kumar Joshi, Mr. Ramesh Chander Tyagi, Ms. Shilpy Chopra, & Mrs. Shalini Rahul.

Further Mr. Ramesh Chander Tyagi (a Non-Executive Independent director of the Company) has ceased to be Director on Board due to his sad demise on 5<sup>th</sup> July, 2022.

Mr. S.K. Goel, Mr. Rakesh Kumar Joshi, Ms. Shilpy Chopra & Mrs. Shalini Rahul are the Independent Directors ("ID") while Mr. Sanjeev Goel is the Managing director of the company.

During FY 2021-22, Five Meetings of the Board of Directors were held on the following dates:

Thursday, 10<sup>th</sup> June 2021, Monday, 21<sup>st</sup> June 2021, Wednesday, 11<sup>th</sup> August 2021, Thursday, 11<sup>th</sup> November 2021 and Monday 14<sup>th</sup> February 2022.

The details of Board and committee meetings held during the financial year ended on 31<sup>st</sup> March, 2022 and attendance thereto are set out in the Corporate Governance Report enclosed as **Annexure-5** which forms part of this report.

## 29. COMMITTEES OF THE BOARD

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

Corporate Social Responsibility Committee.

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

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

Other details of the Committees of the Board are disclosed in the Corporate Governance Report enclosed as **Annexure-5**.

### 30. DISCLOSURES ON SECRETARIAL STANDARDS

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

### 31. VIGIL MECHANISM

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

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

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

The Company is committed to providing and promoting a safe and healthy work environment

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

During FY 2021-22, the complaints received and the details relating thereto were as follows for the period under review:

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

### 33. AUDITORS AND AUDITOR'S REPORT

#### ➤ INTERNAL AUDITORS:

Pursuant to the provisions of Section 138 of the Companies Act, 2013, during the financial year under review, the Company has appointed M/s. SSAR & Associates, had conduct Internal Audit for the financial year 2021-22.

#### ➤ STATUTORY AUDITORS

The Statutory Auditors, M/s. S. P. Chopra & Co., Chartered Accountants, New Delhi retire at the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a consent from the Statutory Auditors for their re-appointment for the second block of five (5) years from conclusion of this Annual General Meeting till the conclusion of 32<sup>nd</sup> Annual General Meeting scheduled to be held in Calendar Year 2027 for conducting the Annual Statutory Audit for the respective Financial Years viz. starting from Financial Year 2022-2023 till Financial Year 2026-2027. The Audit Committee and the Board of Directors have placed the matter of re-appointment of M/s. S. P. Chopra & Co., Chartered Accountants, New Delhi for approval of shareholders at the ensuing Annual General Meeting.

### EXPLANATION ON STATUTORY AUDITORS' REPORT

#### Qualification reported by Statutory Auditors

1. **For Standalone Financial Statements** :The

Company has availed term loans and working capital facilities from various banks, however, slow down of its lending business and increased level of non-performing / impaired loan portfolio, has impacted its cash flow / liquidity, and the Company is unable to service term loans and working capital facilities including interest thereon to certain banks and has approached these Banks for its restructuring/ settlement which inter-alia includes waiver/ reduction of interest being considered by the respective banks. As the company is reasonably hopeful of waiver / reduction of the interest under these restructuring / settlement packages interest of Rs. 2320.80 lacs i.e, Rs. 281.00 Lacs and Rs. 1093.12 lacs for the current quarter and year ended 31<sup>st</sup> March 2022 respectively and Rs. 1227.68 lacs for the period upto 31<sup>st</sup> March 2021, though accrued on these loans, has not been provided in these financial results.

2. **For Consolidated Financial Results:** The Parent Company has availed term loans and working capital facilities from various banks, however, slow down of its lending business and increased level of non-performing / impaired loan portfolio, has impacted its cash flow / liquidity, and the Company is unable to service term loans and working capital facilities including interest thereon to certain banks and has approached these Banks for its restructuring/ settlement which inter-alia includes waiver/ reduction of interest being considered by the respective banks. As the company is reasonably hopeful of waiver / reduction of the interest under these restructuring / settlement packages interest of Rs. 2320.80 lacs i.e, Rs. 281.00 Lacs and Rs. 1093.12 lacs for the current quarter and year ended 31<sup>st</sup> March 2022 respectively and Rs. 1227.68 lacs for the period upto 31<sup>st</sup> March 2021, though accrued on these loans, has not been provided in these financial results

**Board's reply:**

*The Company is in talks/discussion with banks for restructuring / One Time Settlement (OTS). Even during the financial year, OTS's proposal for settlement of its loans have been accepted / approved by two banks (Previous Year: two Banks). Hence the Company has decided not to provide Interest amounting Rs 2320.80 Lacs in its books of accounts as settlement with other banks is also in the advance stage.*

➤ **SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. Puneet Pandey & Associates, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company for FY 2021-22. The Secretarial Audit Report, in the prescribed Form No. MR-3, is annexed as **Annexure -6**.

The qualifications/ adverse remarks/ observations/ suggestions/ disclosure and other matters of emphasis made by M/s. Puneet Pandey & Associates, in their Secretarial Compliance Report dated 22<sup>nd</sup> June 2022, on the secretarial and other related records of the company, for the FY 2021-22 are mentioned below :-

1. There has been a violation of Regulation 17(1) under SEBI (LODR) during the Financial Year under review. The violation initially occurred for the quarter ended on June, 2021, September, 2021' & December, 2021'. Representations were made by the Company before the 'Waiver Committee' of the 'Bombay Stock Exchange', wherein the penalty for the first two quarters was waived-off and the penalty for the third quarter amounting to Rs. 5,07,400/- was imposed and the same was duly paid by the Company.

**Board Reply:-**

*The Company has duly paid the Penalty amounting to Rs. 5,07,400/- on 16<sup>th</sup> March 2022.*

2. Further, there also occurred a violation under Regulation 17(1A) under the SEBI (LODR) for which the Company has again made its representations before the 'Waiver Committee'. The matter is still pending adjudication.

**Board Reply:-**

*On 08th January 2021, the company duly applied for waiver of the aforementioned penalty to the Committee for Reviewing Representations for Waiver of Fines Levied under Standard Operating Procedure (SOP) ("Waiver Committee"). However, the matter is still pending with Bombay Stock Exchange (BSE).*

3. During the Financial Year under review, the Company has made a delay of 8 days in filing

the Form AOC-4 CFS NBFC (IND-AS) for the Financial Year ended on 31.03.2021.

**Board Reply:-**

*Due to the technical error in the Form AOC-4 CFS NBFC (IND-AS) for the Financial Year ended on 31.03.2021 which was later resolved by the MCA, therefore there was a delay in filing the form.*

4. The Company has made substantial delays in carrying out the requisite monthly, quarterly & annual filings on the 'xbrl.rbi.org.in.orfxbrl' portal. As per the information and explanations given by the Company's management, the said delays have specifically occurred on account of the then prevailing Covid-19 circumstances due to which, most of the times during the period under review, either a major portion of the office staff was on leave/ working remotely through their respective residence or the office premises of the company was mandatorily shut due to the lock-downs & other restrictions being imposed by the State Government & other authorities.

**Board Reply:-**

*The delays have specifically occurred on account of the then prevailing Covid-19 circumstances due to which, most of the times during the period under review, either a major portion of the office staff was on leave/ working remotely through their respective residence or the office premises of the company was mandatorily shut due to the lock-downs & other restrictions being imposed by the State Government & other authorities.*

5. The Annual Report on the Corporate Social Responsibility (CSR) forming part of the Board report of the Company for the financial year ended 31st March 2021 is not as per the amended format prescribed under the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 effective from 22nd January 2021.

**Board Reply:-**

*The Report on Corporate Social Responsibility (CSR) forming part of the Board report has prepared as per the old format prior to (Corporate Social Responsibility Policy) Amendment Rules, 2021 effective from 22nd January 2021. The company will take due care that the Report for the current Financial Year*

*will be prepared as per the amended Rule.*

6. As per Clause 6.4. of revised Secretarial Standard on Board Meetings (SS-1), Resolutions passed by circulation shall be noted at subsequent Meeting of the Board and the text thereof with dissent or abstention, if any, shall be recorded in the Minutes of such Meeting. The text of the resolution passed through circulation was not forming part of the proceedings of the respective meetings of Board.

**Board Reply:-**

*The Resolution passed through Circular is taken on record on subsequent meeting without description regarding dissent or abstention, if any. The Company will take into the consideration the point as suggested by the Secretarial Auditor in the further Board Meeting as required.*

7. As per Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016, the company shall pass in the meeting of its Board of Directors within thirty days of the issue of these directions and thereafter within thirty days of the commencement of the next financial year and each subsequent financial year, a resolution to the effect that the company has neither accepted public deposit nor would accept any public deposit during the year. The resolution to the effect has been passed at meeting of Board dated 10th June 2021, i.e., after a delay of approx. 41 days.

**Board Reply:-**

*The Company was in the practice to pass the Board Resolution for non-Accepting Deposits in the First Board meeting of the financial Year. Although there was also a lockdown imposed in Delhi last year from 19th April so delay of approx. 41 days was because of that reason. Further now onwards the company will pass the said resolution during the year as per Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 i.e within thirty days of the commencement of the next financial year.*

8. It is further stated that the Company is in receipt of a Complaint from one of the investors of the Company during the Financial Year under review wherein, certain violations in respect of



the Companies Act, 2013 and the SEBI Laws have been alleged against the Company. The Complaint has been filed before various fora including the Office of the Registrar of Companies, NCT of Delhi & Haryana, Bombay Stock Exchange, Securities & Exchange Board of India, Reserve Bank of India, etc.

On the basis of a detailed perusal of the Complaint and while looking into the contentions filed by the Company before the applicable statutory authorities, it appears that there is a pre-existing dispute between the said Complainant and the Company before the said Complaint was even lodged. The matter is already pending adjudication before various Government Authorities as aforesaid, therefore, no comments in this regard are being made in the instant Report so that the adjudication is not influenced in any manner whatsoever.

#### **Board Reply:-**

*The complaint received by the Company from various authorities i.e., SEBI, BSE and ROC etc. from one of the investor regarding certain violations in respect of the Companies Act, 2013 and the SEBI Laws. The Company has duly submitted its responses to the above mentioned authorities.*

### **34. INFORMATION ON MATERIAL CHANGES AND COMMITMENTS**

During the F.Y. 2021-22, the profit has increased by Rs 662.72 lacs due gain on extinguishment of borrowings under one time settlement with banks of Rs 662.72 lacs.

#### **RELATED PARTY TRANSACTIONS**

During the year, all the related party transactions were in accordance with Section 188 of the Act, Regulation 23 of Listing Regulations and IND AS-24 and are disclosed in the Financial Statements for the year ended March 31, 2022. The transactions were in the ordinary course of business and on arm's length basis and there were no transactions requiring approval of the Shareholders. However, prior approval of the Audit Committee was sought for entering into the Related Party Transactions as required under the Act, read with rules made thereunder and Regulation 23 (2) of Listing Regulations.

During the year, the Company has not entered into

any contract/ arrangement/transaction with related parties which could be considered material in accordance with the policy of Company on materiality of related party transactions ( transactions where the value exceeds Rs. 1000 crore or 10% of the annual consolidated turnover, whichever is lower),

Further, the company has entered into transactions with related parties during financial year ended 31<sup>st</sup> March 2022. The details of the transactions entered with the related parties with the Company is disclosed in form **AOC-2** is annexed as **Annexure -7**.

Further, the company has entered Related Party Disclosure as per Schedule V of SEBI Listing Regulations are given below stating 'Loans and advances in the nature of loans to firms/companies in which directors are interested.

COMPANY	LOAN TAKEN COMPANY	AMOUNT
INTEC CAPITAL LIMITED	PANTEC CONSULTANT PRIVATE LIMITED	22,50,0000

The Company has adopted a policy on materiality of related party transactions in dealing with Related Party Transactions and the same is disclosed on the website of the Company and can be accessed at <https://www.inteccapital.com/wp-content/uploads/2022/05/Related-Party-Transaction.pdf>

### **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO**

#### **a) Conservation of energy**

- Steps taken / impact on conservation of energy:**  
The operations of the Company, being Financial Services related, require normal consumption of electricity. The Company is taking every necessary step to reduce its consumption of energy.
- Steps taken by the Company for utilizing alternate sources of energy:**  
The company during the financial year 2021-22 did not take any additional step for utilizing alternate sources of energy.
- Capital investment on energy conservation equipment:**  
In view of the nature of activities carried on by the Company, there is no capital investment on



energy conservation equipment.

**b) Technology absorption:**

**1. The efforts made towards technology absorption;**

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

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

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

(a) The details of technology imported:- N/A

(b) The year of import:- N/A

(c) Whether the technology been fully absorbed:- N/A

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof:- N/A

(e) The expenditure incurred on Research and Development:- N/A

**c) Foreign Exchange Earnings and Outgo:**

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

### 35. MANAGING DIRECTOR CERTIFICATE

After the closure of financial year, Ms. Radhika Rautela, Chief Financial Officer of the company has resigned w.e.f 27<sup>th</sup> May 2022. Further, in terms of Regulation 17(8) of the Listing Regulations, the

Managing Director and the Chief Financial Officer\* ("CFO") of the Company give annual certification on financial reporting and internal controls to the Board. The annual certificate given by the Managing Director is published in this Report as **Annexure No. 8.**

### 36. EXTRACT OF ANNUAL RETURN

The copy of the annual return of the Company for the financial year ended on 31<sup>st</sup> March, 2022 will be placed on the website of the company and will be available on the website of the Company, viz. [www.inteccapital.com](http://www.inteccapital.com).

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

Transfer of Unclaimed Dividend and Shares to Investor Education and Protection Fund ("IEPF") pursuant to the provisions of the Companies Act, 2013 read with Investor Education Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the dividends, unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company are liable to be transferred to the IEPF. Accordingly, unclaimed dividends of Shareholders for the Financial Year 2014-15 lying in the unclaimed dividend account of the Company as on October 24, 2022 will be transferred to IEPF on the due date i.e. November 27, 2022. Further, the shares (excluding the disputed cases having specific orders of the Court, Tribunal or any Statutory Authority restraining such transfer) pertaining to which dividend remains unclaimed for a consecutive period of seven years from the date of transfer of the dividend to the unpaid dividend account is also mandatorily required to be transferred to the IEPF Authority established by the Central Government. Accordingly, the Company has transferred unclaimed dividend and eligible Shares to IEPF Demat Account within statutory timelines. For the Financial Year 2013-14 amount of unclaimed dividend transferred to IEPF is Rs.103614.

The details of unclaimed dividends to IEPF during Financial Year 2021-22 are as follows:

Details of date of declaration & due date for transfer to IEPF			
Financial Year	Dividend Per Share	Date of Declaration	Due date for Transfer to IEPF
2014-2015	Rs. 0.50 (i.e. 0.05%) per Equity Share having face value of Rs. 10/- each	24-09-2015	27-11-2022

2015-2016	Rs. 0.25 (i.e. 2.05%) per Equity Share having face value of Rs. 10/- each	24-09-2016	28-11-2023
2016-2017	No Dividend Declared	No Dividend Declared	No Dividend Declared
2017-2018	No Dividend Declared	No Dividend Declared	No Dividend Declared
2018-2019	No Dividend Declared	No Dividend Declared	No Dividend Declared
2019-2020	No Dividend Declared	No Dividend Declared	No Dividend Declared
2020-2021	No Dividend Declared	No Dividend Declared	No Dividend Declared

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

***Shareholders are requested to get in touch with the RTA for encashing the unclaimed dividend/ interest/principal amount, if any, standing to the credit of their account.***

### 38. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

### 39. FAMILIARIZATION POLICY AND PROGRAMME FOR INDEPENDENT DIRECTORS

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

and conditions of their appointment. Additionally, regular updates on relevant statutory and regulatory changes are regularly circulated to all the Directors including Independent Directors. The programme for FY21-22 was conducted on 14th February 2022.

The familiarization Programme for its Independent Directors is annexed at **Annexure-10** to this report which forms integral part of this report. The Familiarization policy is also uploaded on the company website and can be accessed via web link: <https://www.inteccapital.com/wp-content/uploads/2022/05/Familiarization-Policy-Programme-for-Independent-Directors-of-Intec-Capital-Limited-in-terms-of-requirement-of-SEBI-LODR-2015-read-with-other-applicable-laws-as-amended-from-140222.pdf>.

### 40. COMPLIANCE WITH THE CODE OF CONDUCT AND ETHICS

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

All the members of the Board and Senior Management Personnel have affirmed compliance to the code for the financial year ended on March 31, 2022 and a declaration to this effect signed by the Managing Director forms part of the Corporate Governance Report as **Annexure -11**

### 41. ANNUAL SECRETARIAL COMPLIANCE REPORT (ASCR)

M/s. Arpit Garg & Associates, Company Secretaries was engaged for providing the Annual Secretarial Compliance Report (ASCR) in terms of regulations 24A of SEBI Listing Regulations, 2015 which is annexed herewith as a **Annexure- 12**.

#### 42. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

#### 43. PROCEEDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

Rules dated 24th March, 2021 of Companies Act:

No application was filed against the Company under the Insolvency and Bankruptcy Code, 2016 during the year.

#### 44. ONE TIME SETTLEMENT FROM BANKS

The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof." as per the Companies (Accounts)

Name of the Bank	amount of the valuation done at the time of one time settlement (ii)	valuation done while taking loan from the Banks (iii)	Difference (ii-iii)	Reason for difference
Dhanlaxmi Bank - Term Loan	1,70,00,000	4,88,61,807	3,18,61,807	Non recovery from customer with in stipulated time.
Bank of Maharashtra - Working Capital/ Cash Credit Loan	4,00,00,000	7,44,09,832	3,44,09,832	Non recovery from customer with in stipulated time.

#### 45. MAINTENANCE OF COST RECORDS:

Maintenance of cost records under Section 148 of the Companies Act, 2013 has not been specified by Central Government, hence, not commented upon.

#### 46. ACKNOWLEDGEMENTS

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

Date: 5<sup>th</sup> August, 2022

Place: New Delhi

For and on Behalf of the board  
For Intec Capital Limited

CIN: L74899DL1994PLC057410

Registered Office: 708, Nehru Place,  
57 Manjusha Building  
New Delhi-110019

Sanjeev Goel  
Managing Director  
(DIN:00028702)

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

## ANNEXURE -1

### Form AOC-I

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

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

#### Part "A": Subsidiaries

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

S.No.	Particulars	Value (in Rs.)
1	Name of the subsidiary	Amulet Technologies Limited
2	The date since when subsidiary was acquired	
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.
4	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	N.A.
5	Share capital	Rs. 25,00,000.00
6	Reserves & surplus	Rs. (26,38,746.99)
7	Total assets	Rs. 13,77,37,257.43
8	Total Liabilities	Rs. 13,78,76,002.72
9	Investments	-
10	Turnover/Income	Rs. 15,38,940
11	Profit before taxation	Rs. (1,31,93,400.52)
12	Provision for taxation	-
13	Profit after taxation	Rs. (1,31,93,400.52)
14	Proposed Dividend	-
15	% of shareholding	99.99% (Wholly owned Subsidiary)

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

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

*There are no subsidiaries which are yet to commence operations. Further, no subsidiaries have been liquidated or sold during the financial year under review.*

**Part “B”: Associates and Joint Ventures**  
**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to**  
**Associate Companies and Joint Ventures**

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

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

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

*There are no associates or joint ventures which are yet to commence operations. Further, no associates or joint ventures have been liquidated or sold during the financial year under review.*

**Date:** 5<sup>th</sup> August, 2022

**Place:** New Delhi

**For and on Behalf of the board**  
**For Intec Capital Limited**

**CIN: L74899DL1994PLC057410**  
**Registered Office: 708, Nehru Place,**  
**57 Manjusha Building**  
**New Delhi-110019**

**Sanjeev Goel**  
**Managing Director**  
**(DIN:00028702)**

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

## ANNEXURE-2

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

#### Corporate Social Responsibility (CSR) Annual Report on CSR Activities

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

**1. Brief Outline on CSR Policy of the Company:**

Intec Capital ('Company') has developed this Policy titled 'Intec's CSR Policy' (Policy) encompassing the Company's philosophy for being a responsible corporate citizen and lays down the principles and mechanisms for undertaking various programs in accordance with section 135 of the Companies Act, 2013 ('the Act') for the community at large, the Company has also formulated a Corporate Social Responsibility Policy which is available on the website of the Company at <https://www.inteccapital.com/wp-content/uploads/2021/09/CSR-Policy-1.pdf>.

This Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, is annexed as **Annexure – 2** to the Board's Report.

**2. Composition of CSR Committee as on 31<sup>st</sup> March 2022:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Sanjeev Goel	Chairman Managing Director	1	1
2	Mr. S.K. Goel	Member Non-Executive Independent Director	1	1
3	Mrs. Shalini Rahul	Non-Executive Independent Women Director	1	1

**3. Provide weblink where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:**

The Company has framed a CSR Policy in compliance with the provisions of section 135 of the Companies Act, 2013 and the same is placed on the website of the Company and the web link for the same is <https://www.inteccapital.com/wp-content/uploads/2021/09/CSR-Policy-1.pdf>.

**Provide the Details of impact assessment of CSR Projects out in pursuance of sub-rule (3) of rule 8 of the companies (Corporate Social responsibility Policy) Rules, 2014 if applicable (attach the report) – Not applicable for the financial year 2021 - 22**

**4. Detail of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the (Companies Corporate Social Responsibility Policy) rule 2014, and amount required for set off for the financial year, if any:**

Sr. No.	Financial Year	Amount available for set-off from preceding financial year (in Rs.)	Amount required to be set off for financial year, if any (in Rs.)
1	2021-22	Not Applicable	

**5. Average net profit of the Company as per section 135(5):**

Average net profit of the company for last three financial years: Net Loss of Rs. 3011.79 Lacs



6. (a) **Two percent of average net profit of the Company as per section 135(5):** Not Applicable, on account of average Net Loss of Rs. 3011.79 Lacs of preceding three FY.

(a) **Surplus arising out of the CSR Projects or Programs or Activities of the previous financial years.:** Not Applicable

(b) **Amount required to be set-off for the financial year, if any:** Not Applicable

(c) **Total CSR Obligation for the Financial Year:** Not Applicable

7. (a) **CSR amount spent or unspent for the financial year:**

Total Amount spent for the financial year (inRs.)	Amount Unspent (inRs.)				
	Total amount transferred to unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of fund	Amount	Date of Transfer
Not Applicable					

(b) **Details of CSR amount spent against on-going projects for the financial year:**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl No.	Name of project	Items From the list of Activities in Schedule VII to The Act.	Local Area	Location Of project	Project Duration	Amount Allocate for the project (inRs.)	Amount spent in the current financial year (inRs.)	Amount Transferred to Unspent CSR account for the project as per Section 135(6) (inRs.)	Mode Of implementation -Direct (inRs.)	Mode of Implementation through implementation agency
Not Applicable										

(c) **Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl No.	Name of the project	Items from the list of activities in schedule VII to the act.	Local area Y/N	Location of project	Amount spent for the project (inRs.)	Mode of implementation -Direct (Yes/No)	Mode of implementation through implementation agency
Not Applicable							

(d) **Amount Spent in Administrative Overhead:** Not Applicable

(e) **Amount spent on Impact assessment, if applicable:** Not Applicable

(f) **Total amount spent for the financial year:** Not Applicable

(g) **Excess amount for set off, if any:**

Sl No.	Particulars	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Not Applicable
(ii)	Total amount spent for the financial year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial year, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

**8. details of Unspent CSR Amount for the preceding three financial years:**

There is no unspent CSR amount from the preceding three financial years.

SI No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135(6) (in Rs.)	Amount spent in the reporting Financial year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any	Amount remaining to be spent in succeeding Financial year (in Rs.)
Not Applicable					

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial years(s):** Not Applicable.

There are no ongoing projects of preceding financial years.

(1) SI No.	(2) Project ID	(3) name of the project	(4) Project Duration	(5) Total amount allocated for the project (in Rs.)	(6) Total amount allocated for the project (in Rs.)	(7) Amount spent on the project in the reporting Financial year (in Rs.)	(8) Cumulative amount spent at the end of the reporting Financial Year (in Rs)	(9) Status of the project- Completed/ Ongoing
Not Applicable								

**10. In case of creation or acquisition of capital assets, furnish the details relating to the assets so created or acquired through CSR spent in the financial year:**

(asset-wise details)

- Date of creation or acquisition of the capital asset(s): Not Applicable
- Amount of CSR spent for creation or acquisition of capital assets: Not Applicable
- Details of the entity or public authority or beneficiary under whose name such capital assets is registered, their address etc.: Not Applicable
- Provide details of the capital assets(s) created or acquired (including complete address and location of the capital assets): Not Applicable

**11. Specify the reason(s), if the company has failed to spend two percent of the net profit as per section 135(5):** Not Applicable.

Date: 5<sup>th</sup> August, 2022

Place: New Delhi

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

s/d-  
Sanjeev Goel  
Managing Director  
(DIN:00028702)

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

## ANNEXURE-3

### **Nomination and Remuneration Policy and Selection Criteria & due diligence of Directors, Key Managerial Personnel and Senior Management of Intec Capital Limited**

#### **1. Preamble:**

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

#### **2. The Constitution and Terms of reference of NRC Committee:**

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

#### **3. Key Role of NRC:**

- 3.1. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- 3.2. To formulate the criteria to carry out evaluation of every director's performance and recommend to the board his /her appointment and removal based on the performance.
- 3.3. To formulate the criteria identifies persons who may be appointed in senior management in accordance with the criteria laid down.
- 3.4. To guide the Board in relation to the appointment and changes in Directors, Key Managerial Personnel and Senior Management including appointment of KMP and Senior Management positions;

- 3.5. To evaluate the performance of the Members of the Board and provide necessary report to the Board for further evaluation;
- 3.6. To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management;
- 3.7. To develop a succession plan for the Board;
- 3.8. To recommend on Diversity of the Board;
- 3.9. To determine remuneration based on Company's financial position, trends and practices on remuneration prevailing in the industry;
- 3.10. To do such role as prescribed by the Companies Act, 2013 and SEBI LODR, 2015 as amended from time to time.

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

- 4.1. For appointment of any director or director seeking re-appointment, his / her updated profile shall be submitted to members of the Nomination and Remuneration Committee (NRC). Profile should content details of contribution made by the member of the board seeking reappointment in his role of member of the board and committees.
- 4.2. The NRC shall ensure that proposed director shall meet with the criteria as laid down in the Companies Act, 2013 read with rules made thereunder as amended from time to time and also regulation as prescribed by Reserve Bank of India.
- 4.3. The NRC to examine detailed profile of the proposed director including meeting with him and ask for further information and to ensure see whether its meets the below mentioned applicable criteria / parameters.
  - 4.3.1. To see existing Director's Contribution in the Board Meetings and Committee

- Meetings and General Body Meetings;
- 4.3.2. To see the existing director performance in regularly attending the Board Meetings and Committee Meetings etc;
- 4.3.3. To see the proposed Director brings fresh perspective to help the Company adopt suitable approach and direction for the future;
- 4.3.4. To see the existing / proposed Director are not convicted by any court, authority etc;
- 4.3.5. To see the existing / proposed director enjoys a good reputation in the industry;
- 4.3.6. To see the existing / proposed director shall not be lunatic or of unsound mind or declared insolvent;
- 4.3.7. To ensure that the age criteria of all directors shall be as per applicable guidelines of Reserve Bank of India (RBI) or as prescribed by the Companies Act, 2013 from time to time or as prescribed by SEBI Laws, or as prescribed by any other regulator / authority / law if any, as applicable;
- 4.3.8. To examine that existing / proposed Director has willingness to contribute to strategy and to help executives on strategy and other matters, as necessary;
- 4.3.9. To examine that existing / proposed Director has willingness to adapt to business, its market sectors and also role of Director;
- 4.3.10. To examine that existing / proposed Director is capable of exercising Independence of mind;
- 4.3.11. To examine that existing / proposed Director monitor results and operational parameters and press for appropriate corrective action when necessary;
- 4.3.12. To examine that existing / proposed Director participate in board decisions on major issues of business development;
- 4.3.13. To examine that existing / proposed Director has sufficient time to devote to the needs of the business;
- 4.3.14. To examine that existing / proposed Director has ability to contribute to financial issues;
- 4.3.15. To examine that existing / proposed Director carry out specific functions as assigned via Board/ COB committees;
- 4.3.16. To ensure that every person proposed to be appointed as a Director he is not disqualified to become a director under this Companies Act 2013 in terms of section 152(6) of the Companies Act, 2013;
- 4.3.17. To ensure that in case of an Independent Director, obtain "Certificate of Independence" pursuant to Section 149 of the Companies Act, 2013 and "Declaration in terms of SEBI LODR, 2015;
- 4.3.18. To ensure that proposed director should disclose relationship with board members or with any KMP or with any employee or with any firm discharging auditing services to the company;
- 4.3.19. To scrutinize the declarations submitted by the existing / proposed Director;
- 4.3.20. To obtain annually as on 31<sup>st</sup> March a declaration from the directors that the information already provided has not undergone change and where there is any change requisite details are furnished by them forthwith;
- 4.3.21. To give recommendation to the Board that an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for re- appointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report and shall hold office for not more than two consecutive terms;
- 4.3.22. To give recommendation in the opinion of NRC that the proposed appointment of an independent director fulfils the conditions specified in this Companies Act 2013, for such an appointment to enable the Board to give statement that proposed

appointment fulfils the conditions specified in this Companies Act 2013 for such an appointment;

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

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

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

**Senior Management Personnel and other Employees-**

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

Mode of Attendance of Meeting	Designation	Sitting fee (Rs.)
Physically	Non-Executive Director including Managing Director	Rs. 20,000/-
Video Conferencing or any other Audio video Means	Non-Executive Independent Director	Rs. 10,000/-

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

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

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

**6. Amendments to the Nomination and Remuneration Policy:**

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

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

**7. Disclosure of Nomination and Remuneration Policy:**

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

**Date: 5<sup>th</sup> August, 2022**

**Place: New Delhi**

**For and on Behalf of the board  
For Intec Capital Limited**

**CIN: L74899DL1994PLC057410**

**Registered Office: 708, Nehru Place,  
57 Manjusha Building  
New Delhi-110019**

**Sanjeev Goel  
Managing Director  
(DIN:00028702)**

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

## ANNEXURE – 4:

### Details under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year ended 31<sup>st</sup> March, 2022

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

1. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2021-22:-

Name of Director	Designation	Ratio*
Mr. Sanjeev Goel	Managing Director	362.36:1
Mr. S.K Goel <sup>#</sup>	Non- Executive Independent Director	1.39:1
Mr. Rakesh Kumar Joshi <sup>#</sup>	Non-Executive Independent Director	0.56:1
Mr. Ramesh Chander Tyagi <sup>#</sup>	Non-Executive Independent Director	1.39:1
Ms. Shilpy Chopra <sup>#</sup>	Non-Executive Independent Women Director	1.39:1
Mrs. Shalini Rahul <sup>#</sup>	Non-Executive Independent Women Director	0.56:1

Note: \* For calculating ratio, remuneration includes the sitting fees paid during the F.Y. 2021-22.

# The remuneration consist of sitting fees paid during the F.Y. 2021-22.

2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2021-22:-

There is no increase in remuneration of the Chairman and Managing Director;

There is 25% increase in the remuneration of the Chief Financial Officer;

There is no decrease in the remuneration of the Company Secretary(during the year the Company Secretary of the Company was on maternity leave from October 20<sup>th</sup> 2021 for the period of six months.);

Since none of the other Independent Directors were paid remuneration in the financial year 2021-22 and 2020-21, therefore there is no increase in remuneration, during the year.

3. The percentage increase in the median remuneration of employees in the financial year 2021-22:- -12.50%
4. The number of permanent employees on the rolls of company:-61
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:-

Average % increase in the salary of employees other than Managerial Personnel: -  
2021-22-11.82%

Average % increase in the Salary of the Managerial Personnel:-  
2021-22 – 15%

6. Affirmation: We hereby confirm that the remuneration paid to employees are as per the remuneration policy of the company.



## ANNEXURE – 4A:

**Statement of particulars of employees pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year ended 31st March, 2022.**

A.	Employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees]			
Rule	Rule description			
5(2)	Name of such employee	Mr.Sanjeev Goel		
5(3)(i)	Designation of such employee	Managing Director		
5(3)(ii)	Remuneration received (in Rs.)	129.99 lacs (excluding sitting fees)		
5(3)(iii)	Nature of employment (whether contractual or otherwise)	Whole Time Director		
5(3)(iv)	Qualifications	CA, MBA (Finance)		
5(3)(v)	Experience of such employee (in Years)	29		
5(3)(vi)	Date of commencement of employment	15/02/1994		
5(3)(vii)	The age of such employee (in Years)	58		
5(3)(viii)	The last employment held by such employee before joining the company	NIL		
5(3)(ix)	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) of Co's (Appointment and Remuneration of Managerial Personnel) Rules, 2014	6.77%		
5(3)(x)	Whether any such employee is a relative of any director or manager of the company and if so, name of such employee.	Mr. Pranav Goel, appointed as employee (Manger- IT & Infra) of the Company w.e.f. 1 <sup>st</sup> May 2020 & Mr. Dhruv Goel, appointed as employee (Manager – Finance & legal) of the Company w.e.f. 1 <sup>st</sup> August 2020 are relatives (son) of Mr. Sanjeev Goel.		
B.	Employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Rs.8.50 lac( Eight lacs and Fifty Thousand rupees per month);			
Rule	Rule description	1	2	3
5(2)	Name of such employee	NIL	-	-
5(3)(i)	Designation of such employee	NIL	-	-
5(3)(ii)	Remuneration received (in Rs.)	NIL	-	-
5(3)(iii)	Nature of employment (whether contractual or otherwise)	NIL	-	-
5(3)(iv)	Qualifications	NIL	-	-
5(3)(v)	Experience of such employee (in Years)	NIL	-	-
5(3)(vi)	Date of commencement of employment	NIL	-	-
5(3)(vii)	The age of such employee (in Years)	NIL	-	-

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

**Date: 5<sup>th</sup> August, 2022**

**Place: New Delhi**

**For and on Behalf of the board  
For Intec Capital Limited**

**CIN: L74899DL1994PLC057410  
Registered Office: 708, Nehru Place,  
57 Manjusha Building  
New Delhi-110019**

**Sanjeev Goel  
Managing Director  
(DIN:00028702)**

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

## ANNEXURE-5

# CORPORATE GOVERNANCE REPORT

In compliance with Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time the Company submits the Corporate Governance Report for the year ended March 31, 2022.

Also certificate on Corporate Governance from Practicing Company Secretary has been received by the company for the financial year 2021-22 and the same has been duly attached here with in the annual report.

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

The Company believes that governance practices enable the Management to direct and control the affairs of the Company in an efficient manner and to achieve the Company's goal of maximising value for all its stakeholders. The Company will continue to focus its resources, strengths and strategies to

achieve its vision of becoming a leading financial services company in India with a global footprint, while upholding the core values of transparency, integrity, honesty and accountability, which are fundamental to the company.

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

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

### 2. BOARD OF DIRECTORS:

#### a) BOARD COMPOSITION AND CATEGORY OF DIRECTORS

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

The Board comprises of a majority of Independent Directors. It has a good mix of Executive and Non-Executive Directors including Independent Directors. As on date of this Report, the Board consists of six Directors with adequate combination of Independent/ Non-Independent, Executive, Non-Executive Directors.

The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

**Table 2.1 Composition and category of Board of Directors as on 31<sup>st</sup> March, 2022**

S. No.	Name	Designation	Category	DIN	Date of joining Board
1	Mr. Sanjeev Goel	Managing Director	Executive Director	00028702	15/02/1994
2	Mr. S. K. Goel	Non-Executive Independent Director	Non-Executive Independent Director	00963735	13/02/1998
3	Mr. Rakesh Kumar Joshi	Non-Executive Independent Director	Non-Executive Independent Director	02410620	27/02/2002
4	Mr. Ramesh Chander Tyagi*	Non-Executive Independent Director	Non-Executive Independent Director	09009275	26/12/2020

S. No.	Name	Designation	Category	DIN	Date of joining Board
5	Ms. Shilpy Chopra	Non-Executive Independent Woman Director	Non-Executive Independent Director	07161915	12/05/2021
6	Mrs. Shalini Rahul	Non-Executive Independent Woman Director	Non-Executive Independent Director	09357650	13/10/2021

*\*Mr. Ramesh Chander Tyagi, (DIN 09009275), Non-Executive Independent Director has ceased to be the Director on account of his unfortunate demise on 05 July 2022. His sudden and unexpected passing away will be an irreparable loss to the Company.*

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

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

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

#### **NUMBER OF BOARD MEETINGS AND DATES ON WHICH HELD:**

The Board meets at regular intervals to discuss and decide on Company / Business policy and strategy apart from other Board business. The Board / Committee Meetings are pre-scheduled and a tentative annual calendar of the Board and Committee Meetings is circulated to

the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is noted and confirmed in the subsequent Board meeting.

The notice of Board meeting is given well in advance to all the Directors. All meetings of the Board are conducted through Video Conferencing mode. The Agenda of the Board/Committee meetings was set by the Company Secretary in consultation with the Managing Director of the Company.

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

**During the Financial Year ended 31<sup>st</sup> March 2022, Five (5) Board Meetings were held on the below mentioned dates:**

Day	Date
Thursday	10 <sup>th</sup> June 2021 <sup>#</sup>
Monday	21 <sup>st</sup> June 2021 <sup>#</sup>
Wednesday	11 <sup>th</sup> August 2021 <sup>#</sup>
Thursday	11 <sup>th</sup> November 2021 <sup>#</sup>
Monday	14 <sup>th</sup> February 2022 <sup>#</sup>

*# Meeting held through Video Conferencing due to COVID-19 pandemic.*

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

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

Sr. no.	Name of the Director	No. of Board Meeting(s)		Whether Last AGM attended (Held on 15.09.2021)
		Held during their tenure from (01.04.2021) to (31.03.2022)	Attended	
1	Mr. Sanjeev Goel	5	5	Yes
2	Mr. S. K. Goel	5	5	Yes
3	Mr. Rakesh Kumar Joshi	5	1	Yes
4	Mr. Ramesh Chander Tyagi	5	5	Yes
5	Ms. Shilpy Chopra (Appointed on Board with effect from 12 <sup>th</sup> May, 2021)	5	5	Yes
6	Mrs. Alka Garg (Ceased to be Director with effect from 13 <sup>th</sup> July, 2021)	2	0	N.A.
7.	Mrs. Shalini Rahul (Appointed on Board with effect from October 13, 2021)	2	2	N. A.

**b) Number of other Board of Directors or Committees in which a directors is a Member or Chairman as on 31st March, 2022**

Name	Designation & Category	DIN	Date of joining the Board	No. of shares held in the company	Directorship in other companies	Membership(s) of Committees of other companies	Chairmanship(s) of Committees of other companies
Mr. Sanjeev Goel	Managing Director	00028702	15/02/1994	644464	(7) 1. Intec Share And Stock Brokers Limited 2. Bubble Infosolutions Private Limited 3. Amulet Technologies Limited 4. Pantec Devices Private Limited 5. Pantec Consultants Private Limited 6. Sanrit Consultants Private Limited 7. Intec Worldwide Private Limited	Nil	Nil
Mr. S. K. Goel	Non-Executive Independent Director	00963735	13/02/1998	Nil	(2) 1. Amulet Technologies Limited 2. Atlas Engineering And Inspection Services Pvt Ltd	Nil	Nil
Mr. Rakesh Kumar Joshi	Non-Executive Independent Director	02410620	27/02/2002	Nil	Nil	Nil	Nil
Mr. Ramesh Chander Tyagi <sup>s</sup>	Non-Executive Independent Director	09009275	26/12/2020	Nil	Nil	Nil	Nil
Mrs. Shalini Rahul <sup>#</sup>	Non-Executive Independent Woman Director	09357650	13/10/2021	Nil	(1) CRANEX LIMITED	Nil	Nil

Name	Designation & Category	DIN	Date of joining the Board	No. of shares held in the company	Directorship in other companies	Membership(s) of Committees of other companies	Chairmanship(s) of Committees of other companies
Ms. Shilpy Chopra <sup>@</sup>	Non-Executive Independent Woman Director	07161915	12/05/2021	Nil	(3) 1. AUTO PIN (India) Limited 2. CRANEX Limited 3. MOULIN COMMERCIAL LIMITED	(3)	Nil

*\*Excluding Directorship(s) /Committee Membership(s)/Chairmanship in Intec Capital Limited.*

*@ Ms. Shilpy Chopra, Non-Executive Independent Woman Director has been appointed on Board w.e.f. 12<sup>th</sup> May, 2021.*

*# Mrs. Shalini Rahul, Non-Executive Independent Woman Director has been appointed on Board w.e.f. 13<sup>th</sup> October, 2021.*

*\$Mr. Ramesh Chander Tyagi, (DIN 09009275), Non-Executive Independent Director has ceased to be Director on Board on account of his unfortunate demise on 05 July 2022. His sudden and unexpected passing away will be an irreparable loss to the Company.*

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

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

There is no Inter-se Relationship among the directors of the Company.

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

None of the Non-Executive Director is holding any share. Further, the Company does not have convertible instruments in its capital structure.

**FAMILIARIZATION PROGRAM FOR**

**INDEPENDENT DIRECTORS**

During the year under review new Independent Directors were inducted into the Board and hence familiarization program was conducted on 14<sup>th</sup> February 2022, pursuant to Familiarization Policy of the Company.

The Familiarization policy is uploaded in the company website :

(<https://www.inteccapital.com/wp-content/uploads/2022/05/Familiarization-Policy-Programme-for-Independent-Directors-of-Intec-Capital-Limited-in-terms-of-requirement-of-SEBI-LODR-2015-read-with-other-applicable-laws-as-amended-from-140222.pdf>)

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

**e) PART A – GOVERNANCE SKILLS**

<b>Strategy</b>	Strategy and strategic planning	Ability to think strategically and identify and critically assess strategic opportunities and threats and develop effective strategies in the context of the strategic objectives of the Company's relevant Policies and priorities.
<b>Policy</b>	Policy development	Ability to identify key issues and opportunities for the Company, and develop appropriate policies to define the parameters within which the Company should operate.
<b>Finance</b>	Financial performance	Qualifications and experience in accounting and/or finance and the ability to: <ul style="list-style-type: none"> <li>• analyse key financial statements;</li> <li>• critically assess financial viability and performance;</li> <li>• contribute to strategic financial planning;</li> <li>• over-see budgets and the efficient use of resources;</li> <li>• and oversee funding arrangements and accountability.</li> </ul>
<b>Risk</b>	Risk and compliance oversight	Ability to identify key risks to the Company in a wide range of areas including legal and regulatory compliance, and monitor risk and compliance management frameworks and systems



<b>IT</b>	Information technology strategy	Knowledge and experience in the strategic use and governance of information management and information technology within the Company.
<b>Executive Management</b>	Executive management	Experience at an executive level including the ability to: <ul style="list-style-type: none"> <li>• appoint and evaluate the performance of the CFO, CS and Senior Executive Managers;</li> <li>• oversee strategic human resource management including workforce planning, and employee and industrial relations;and oversee large scale organisational change.</li> </ul>

## PART B: PERSONAL ATTRIBUTES

Attributes	Description
<b>Integrity (Ethics)</b>	A commitment to: <ul style="list-style-type: none"> <li>• understanding and fulfilling the duties and responsibilities of a Director, and maintain knowledge in this regard through professional development;</li> <li>• putting the Company's interests before any personal interests;</li> <li>• acting in a transparent manner and declaring any activities or conduct that might be a potential conflict;and</li> <li>• maintaining Board confidentiality at all times.</li> </ul>
<b>Effective listener and communicator</b>	The ability to: <ul style="list-style-type: none"> <li>• listen to, and constructively and appropriately debate, other people's view points;</li> <li>• develop and deliver cogent arguments;and</li> <li>• communicate effectively with a broad range of stakeholders.</li> </ul>
<b>Constructive questioner</b>	The preparedness to ask questions and challenge management and peer Directors in a constructive and appropriate way about key issues.
<b>Contributor and team player</b>	The ability to work as part of a team, and demonstrate the passion and time to make a genuine and active contribution to the Board.
<b>Commitment</b>	A visible commitment to the purpose for which the Company has been established and operates, and its on- going success.
<b>Influencer and negotiator</b>	The ability to negotiate outcomes and influence others to agree with those outcomes, including an ability to gain stakeholder support for the Board's decisions.
<b>Critical and innovative thinker</b>	The ability to critically analyse complex and detailed information, readily distil key issues, and develop innovative approaches and solutions to problems.
<b>Leader</b>	Innate leadership skills including the ability to: <ul style="list-style-type: none"> <li>• appropriately represent the Company;</li> <li>• set appropriate Board and Company culture; and</li> <li>• make and take responsibility for decisions and actions.</li> </ul>

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

Area of Expertise	Directors					
	Mr. Sanjeev Goel	Mr. S.K. Goel	Mr. Rakesh Kumar Joshi	Mr. Ramesh Chander Tyagi	Ms. Shilpy Chopra	Ms. Shalini Rahul
<b>PART A: GOVERNANCE SKILLS</b>						
<b>1. Strategy</b>	✓	✓	✓	✓	✓	✓
<b>2. Policy</b>	✓	✓	✓	✓	✓	✓
<b>3. Finance</b>	✓	✓	✓	×	✓	✓
<b>4. Risk</b>	✓	✓	✓	×	✓	✓
<b>5. IT</b>	✓	✓	✓	×	×	×
<b>6. Executive Management</b>	✓	✓	✓	✓	✓	✓

Area of Expertise	Directors					
	Mr. Sanjeev Goel	Mr. S.K. Goel	Mr. Rakesh Kumar Joshi	Mr. Ramesh Chander Tyagi	Ms. Shilpy Chopra	Mrs. Shalini Rahul

#### PART B: PERSONAL SKILLS

1. Integrity	✓	✓	✓	✓	✓	✓
2. Effective listener and communicator	✓	✓	✓	✓	✓	✓
3. Constructive questioner	✓	✓	✓	✓	✓	✓
4. Contributor and team player	✓	✓	✓	✓	✓	✓
5. Commitment	✓	✓	✓	✓	✓	✓
6. Influencer and negotiator	✓	✓	✓	✓	✓	✓
7. Critical and innovative thinker	✓	✓	✓	✓	✓	✓
8. Leader	✓	✓	✓	✓	✓	✓

#### f) CONFIRMATION BY BOARD OF DIRECTORS

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

#### g) COMPLIANCE WITH THE CODE OF CONDUCT

All the members of the Board and Senior Management Personnel have affirmed compliance to the code for the financial year ended on March 31, 2022 and a declaration to this effect signed by the Managing Director forms part of this Report and annexed as **Annexure-11**.

- h) Detailed reasons for the resignation of an independent director who resigns before the expiry of his /her tenure along with a confirmation by such director that there are no other material reasons other than those provided: **Not applicable**

#### 3. COMMITTEES OF THE BOARD

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

Board has in place various Committees of the Board constituted/reconstituted from time to time in compliance with provisions of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action.

The Chairman of the respective Committee informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the meetings of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate.

As on 31<sup>st</sup> March 2022, the following below mentioned Committees of Board (COB) were in place:

- Audit Committee (AC)
- Nomination and Remuneration Committee (NRC)
- Shareholders/Investors' Grievance Committee cum Share Transfer Committee cum Stakeholders Relationship Committee (SGR / SRC / STCM)
- Asset Liability Cum Risk Management Committee (ALRMC)
- Corporate Social Responsibility Committee (CSR)

## A). AUDIT COMMITTEE (AC)

### Terms of reference of the Audit Committee

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

- overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- reviewing and examining with management the quarterly financial results before submission to the Board;
- reviewing and examining with management the annual financial statements before submission to the Board and the auditors' report thereon;
- review management discussion and analysis of financial condition and results of operations;
- scrutiny of inter-corporate loans and investments made by the Company;
- reviewing with management the Annual Financial Statements as well as investments made by the unlisted subsidiary companies;
- reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;
- approving the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- reviewing management letters / letters of internal

control weaknesses issued by the Statutory Auditors;

- discussing with Statutory Auditors, before the commencement of audit, on the nature and scope of audit as well as having post-audit discussion to ascertain area of concern, if any;
- reviewing with management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems;
- reviewing the financial statements, in particular, the investments made by the unlisted subsidiaries;
- recommending appointment, remuneration and terms of appointment of Internal Auditor of the Company;
- reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues;
- evaluating internal financial controls and risk management systems; valuating undertaking or assets of the Company, wherever it is necessary;
- reviewing the functioning of the Whistle Blowing mechanism;

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

The Committee is governed by the Terms of Reference which are in line with the regulatory requirements mandated by the Act and Listing Regulations. The Audit Committee also reviews the functioning of the Code of Business Principles and Whistle Blower Policy of the Company and cases reported thereunder.

**The composition and attendance record of the Audit Committee meetings during the financial year ended 31st March, 2022 are as follows:**

Composition of Committee	Position	Category	Total No. of meeting held during the tenure	Total No. of meeting attended
Mr. S.K. Goel	Chairman	Non-Executive Independent Director	5	5
Mr. Rakesh Kumar Joshi	Member	Non-Executive Independent Director	5	1
Mr. Ramesh Chander Tyagi	Member	Non-Executive Independent Director	5	5

Further, the committee was re-constituted and the Committee has following members as on the date of this report:

Sr.	Name of Director	Designation	Position
1	Mr. S.K. Goel	Non-Executive - Independent Director	Chairman
2	Mr. Rakesh Kumar Joshi	Non-Executive - Independent Director	Member
3	Ms. Shilpy Chopra	Non-Executive - Independent Women Director	Member

All the members of the Committee have relevant experience in financial matters. During the financial year ended 31<sup>st</sup> March, 2022, Five (5) Audit Committee meetings were held on Thursday, 10<sup>th</sup> June 2021, Monday, 21<sup>st</sup> June 2021, Wednesday, 11<sup>th</sup> August 2021, Thursday 11<sup>th</sup> November 2021, Monday 14<sup>th</sup> February 2022.

## B) NOMINATION AND REMUNERATION COMMITTEE (NRC)

### Terms of reference of Nomination and Remuneration Committee

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

The role of Nomination and Remuneration Committee is as follows:

- Determine/ recommend the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
- Determine/ recommend the criteria for qualifications, positive attributes and independence of Director;

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

The composition and Attendance record of the Nomination and Remuneration Committee meetings during the financial year ended 31<sup>st</sup> March, 2022 are as follows:

Composition of Committee	Position	Category	Total No. of meeting held during the tenure	Total No. of meeting attended
Mr. S.K. Goel	Chairman	Non-Executive Independent Director	3	3
Mr. Rakesh Kumar Joshi	Member	Non-Executive Independent Director	3	1
Mr. Ramesh Chander Tyagi	Member	Non-Executive Independent Director	3	3

Further, the committee was re-constituted and the Committee has following members as on the date of this report:

Sr.	Name of Director	Designation	Position
1	Mr. S.K. Goel	Non-Executive Independent Director	Chairman
2	Mr. Rakesh Kumar	Non-Executive Independent Director	Member
3	Mrs. Shalini Rahul	Non-Executive Independent Women Director	Member

During the financial year ended 31<sup>st</sup> March, 2022, Three (3) Nomination Remuneration Committee meetings were held on Monday, 21<sup>st</sup> June, 2021, Wednesday, 11<sup>th</sup> August, 2021, and Monday, 14<sup>th</sup> February, 2022.

## CRITERIA FOR PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS AND THE BOARD

During the year under review, Nomination and Remuneration and Committee in its Meeting and subsequently the Board in its meeting held on 14<sup>th</sup> February 2022 has conducted a formal Annual Evaluation by the Board of its own performance and that of its committees and individual directors as per requirement of Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR, 2015)

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

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

- Attendance at the Board and Committee meetings.
- Understands the business and products of the Company.
- Brings in new ideas for business advancement and improvement.

- Study of agenda in depth prior to meeting and active participation at the meeting.
- Participates constructively and actively in the Committees of the Board in which he is a member.
- Strive to attend the general meetings of the Company.
- Contributes to discussions on strategy as opposed to focus only on agenda.
- The Director actively challenges management thinking and motivates them to excel continuously.
- The Director actively works towards cordiality and cohesiveness at meetings, while challenging current thinking.
- The Director is able to bring in best practices from his experience and other Board Memberships.
- The Director remains abreast of developments affecting the company, independent of his being apprised at meetings.

## REMUNERATION OF DIRECTORS

- There is no pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the Company.
- Following is the detail of remuneration paid to the Directors during the year under review:

(Amounts in Rs.)

Name of the Director	Fixed Salary		Bonus	Stock Option	Pension	Sitting Fees	Total
	Base Salary	Perquisites/ Benefits					
<b>Executive Director - Managing Director</b>							
Mr. Sanjeev Goel	1,29,99,996/-	-	-	-	50,000		1,30,49,996/-
<b>Independent Directors</b>							
Mr. S.K Goel	-	-	-	-	50,000		50,000
Mr. Rakesh Kumar Joshi	-	-	-	-	10,000		10,000
Ms. Shilpy Chopra	-	-	-	-	50,000		50,000
Mr. Ramesh Chander Tyagi	-	-	-	-	50,000		50,000
Mrs. Alka Garg	-	-	-	-	-		-
Ms. Shalini Rahul	-	-	-	-	20,000		20,000

The tenure of office of the Managing Director is Five(5) years from their date of appointment. There is no separate provision for payment of severance fees and performance linked incentives. The remuneration excluding sitting fees as mentioned above comprises

only of fixed components. Further complete details of remuneration, of Directors and Key Managerial Personnel have been provided in annual return which will be hosted at the website of the Company in terms of provisions of Section 92(3) of the Companies Act, 2013.

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

The Shareholders Investors Grievance Committee (SHIC) cum Stakeholders Share Transfer Committee (STC) cum Stakeholders Relationship (SRC) is formed in accordance with Section 178 of the Companies read with Regulation 20 SEBI LODR2015.

#### TERMS OF REFERENCE OF STAKEHOLDERS' RELATIONSHIP COMMITTEE:

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

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, follows:

issue of new/duplicate certificates, general meetings etc.

- Review of measures taken for effective exercise of voting rights by shareholders
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

**The composition and Attendance record of the Shareholders Investors Grievance Committee (SHIC) cum Stakeholders Share Transfer Committee (STC) cum Stakeholders Relationship (SRC) meetings during the financial year ended 31st March, 2022 are as follows:**

Composition of Committee	Position	Category	Total No. of meeting held during the tenure	Total No. of meeting attended
Mr. S.K. Goel	Chairman	Non-Executive Independent Director	1	1
Mr. Sanjeev Goel	Member	Non-Executive Independent Director	1	1
Mr. Ramesh Chander Tyagi	Member	Non-Executive Independent Director	1	1

Further, the committee was re-constituted and the Committee has following members as on the date of this report:

Sr.	Name of Director	Designation	Position
1	Mr. S.K. Goel	Non-Executive Independent Director	Chairman
2	Mr. Sanjeev Goel	Executive Director	Member
3	Mrs. Shalini Rahul	Non-Executive Independent Women Director	Member

During the financial year ended 31<sup>st</sup> March, 2022, One (1) Shareholders Investors Grievance Committee (SHIC) cum Stakeholders Share Transfer Committee (STC) cum Stakeholders Relationship Committee (SRC) meetings was held on 14<sup>th</sup> February, 2022.

#### Details of Shareholders' / Investors' Complaints

The Company Secretary was the Compliance Officer for resolution of Shareholders'/Investors' complaints. During the financial year ended 31<sup>st</sup> March, 2022, complaints received from the shareholders as follows, in terms of report received from Company's Registrar and Share Transfer Agent viz. Beetal Financial and Computer Services Private Limited:

No. of Complaints received during the year	1 <sup>#</sup>
No. of Complaints disposed off during the year	0
No. of Complaints not resolved to the satisfaction of shareholders	0
No. of Pending Complaints	1 <sup>#</sup>

#With regard to the complaint received by the Company from various authorities including SEBI, BSE and ROC from one of the stakeholders, the Company has duly submitted its responses to the authorities.



#### D) Corporate Social Responsibility Committee (CSR)

The role of Corporate Social Responsibility Committee is as follows:

- formulating and recommending to the Board the CSR Policy and activities to be undertaken by the Company;
- recommending the amount of expenditure to be incurred on CSR activities of the Company;
- reviewing the performance of Company in the area of CSR;
- providing external and independent oversight and

guidance on the environmental and social impact of how the Company conducts its business;

- monitoring CSR Policy of the Company from time to time;
- Monitoring the implementation of the CSR projects or programs or activities undertaken by the Company.

**The Composition and Attendance record of the Corporate Social Responsibility Committee meetings during the financial year ended 31st March, 2022 are as follows:**

Composition of Committee	Position	Category	Total No. of meeting held during the tenure	Total No. of meeting attended
Mr. S.K. Goel	Chairman	Non-Executive Independent Director	1	1
Mr. Sanjeev Goel	Member	Non-Executive Independent Director	1	1
Mr. Ramesh Chander Tyagi	Member	Non-Executive Independent Director	1	1

Further, the committee was re-constituted and the Committee has following members as on the date of this report:

Sr.	Name of Director	Designation	Position
1	Mr. S.K. Goel	Non-Executive Independent Director	Chairman
2	Mr. Sanjeev Goel	Executive Director	Member
3	Mrs. Shalini Rahul	Non-Executive Independent Women Director	Member

During the financial year ended 31<sup>st</sup> March, 2022, only One(1) meeting of the Corporate Social Responsibility Committee was held i.e. on the date 10<sup>th</sup> June, 2021.

#### E) Asset Liability cum Risk Management Committee (ALRMC)

The terms of reference of the Committee areas follows:

- Oversee the implementation of Risk Management Systems and Framework
- Review the Company's financial and risk management policies
- Assess risk and procedures to minimize the same;
- Frame, implementing and monitoring the risk management plan for the Company

- To identify, quantify, integrate, monitor, manage and control the different type of risks associated with NBFC.

- To assist the Board of Directors in Balance Sheet planning, putting in place a progressive risk management system, developing a risk return perspective including the strategic management of interest and liquidity risk Asset Liability Cum Risk Management Committee (ALRMC) was constituted by board of directors in its meeting held on 9<sup>th</sup> February 2019 by merging the two existing Committees of the Company committee viz. Asset Liability Management Committee (ALCO) and Risk Management Committee (RMC).

**The composition and Attendance record of the ALRMC Committee meeting during the financial year ended 31st March, 2022 are as follows:**

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

Mr. Rakesh Kumar Joshi	Member	Non-Executive Independent Director	1	1
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Further, the committee was re-constituted and the Committee has following members as on the date of this report:

Sr.	Name of Director	Designation	Position
1	Mr. Sanjeev Goel	Executive Director	Chairman

2	Mr. S.K. Goel	Non-Executive Independent Director	February, 2021	Member
3	Ms. Shilpy Chopra	Non-Executive Independent Women Director	To review the performance of Board as a whole during FY 2021-22	Member
4	Mr. Rakesh Kumar Joshi	Non-Executive Independent Director		Member

During the financial year ended 31<sup>st</sup> March 2022, one meeting of ALRMC was held on Thursday 10<sup>th</sup> June, 2021.

#### F) SEPARATE INDEPENDENT DIRECTORS' MEETINGS

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

During the Financial year 2021-22, the Independent Directors viz., Mr. S.K. Goel, Mr. Rakesh Kumar Joshi, Mr. Ramesh Chander Tyagi, Ms. Shilpy Chopra and Mrs. Shalini Rahul met on 14<sup>th</sup> February 2022 and inter alia had discussed:

- To confirm the minutes of previous Separate Meeting of Independent Directors vide meeting no. FY-2021-22/01 dated Thursday, 12<sup>th</sup>

and Managing Director.

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

- To review the performance of Non-Independent Directors during Financial Year 2021-22 viz. Managing Director.

- To review the performance of the Chairman of the company during Financial Year 2021-22, taking into account the views of Executive directors and Non-Executive Directors

- To assess the quality, quantity and timeliness of flow of information during Financial Year 2021-22 between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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

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

#### 4. GENERAL BODY MEETINGS

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

Financial Year	Venue	Day and Date	Commencement Time	Special Resolution Passed
2020-21	Video Conferencing ('VC')/Other Audio-Visual Means ('OAVM'). The Meeting was conducted in accordance with the circulars issued by the Ministry of Corporate Affairs ('MCA') and the Securities and Exchange Board of India ('SEBI'), in this regard, the global outbreak of the COVID-19 pandemic.	Wednesday, 15 <sup>th</sup> September, 2021	12:05 P.M.	Yes

2019-20	Video Conferencing ('VC')/Other Audio-Visual Means ('OAVM'). The Meeting was conducted in accordance with the circulars issued by the Ministry of Corporate Affairs ('MCA') and the Securities and Exchange Board of India ('SEBI'), in this regard, the global outbreak of the COVID-19 pandemic.	Saturday, 26 <sup>th</sup> December, 2020	12:00 Noon	Yes
2018-19	B.C. Pal Memorial A-81, Chittranjan Park, New Delhi-110019	Friday, September 27, 2019	11:15 A.M.	Yes

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

Date of AGM	Number of Special Resolution Passed	Details of Special Resolution passed
Wednesday, 15 <sup>th</sup> September, 2021 (Conducted through Video Conferencing Mode)	Yes, One (1) resolution was passed as special resolution	1. Approving the payment of Remuneration to Mr. Sanjeev Goel (DIN: 00028702), Managing Director for three (3) Financial Years i.e. for Financial 2022–2023, 2023–2024 and 2024–2025
Saturday, 26 <sup>th</sup> December, 2020 (Conducted through Video Conferencing Mode)	Yes, Two (2) resolution was passed as special resolution	1. Re-appointment of Mr. Surender Kumar Goel (DIN: 00963735), as Non-Executive Independent Director of the Company who is re-appointed by Board of Directors for a consecutive period of five (5) years. 2. Re-appointment of Mr. Rakesh Kumar Joshi (DIN: 02410620), as Non-Executive Independent Director of the Company who is re-appointed by Board of Directors for a consecutive period of five (5) years.
Friday, September 27, 2019	Yes, Two (2) resolution was passed as special resolution	1. Approve the Remuneration payable to Mr. Sanjeev Goel, Managing Director for three (3) Financial Years i.e. from Financial 2019 – 2020, 2020 – 2021 and 2021 – 2022 2. Approval of Re-classification of Intec Infonet Private Limited, Promoter Company of the company as non-promoter company of the company under regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 read with circulars, notifications, rules and regulations as amended from time to time.

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

## 5. MEANS OF COMMUNICATION

- Quarterly Results and Newspapers wherein

### results normally published

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

### ➤ News Releases, presentations

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

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

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

## 6. GENERAL SHAREHOLDER INFORMATION

### ➤ ANNUAL GENERAL MEETING (Date, Time and Venue)

#### 28<sup>th</sup> Annual General Meeting:

Day, Date and Time: Monday, 05<sup>th</sup> September, 2022 at 12.00 Noon

Venue: The Company is conducting its 28<sup>th</sup> Annual General Meeting through VC / OAVM pursuant to the the Ministry of Corporate Affairs ("MCA") has vide its circular dated January 13, 2021 read with circulars dated April 8, 2020 , April 13, 2020, May 5, 2020, May 2022 (collectively referred to as "MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated January 15, 2021 read with May 12, 2020 ("SEBI Circular") issued by the Securities and Exchange Board of India (SEBI) permitted the holding of the AGM through VC / OAVM, without the physical presence of the Members at a common venue. For details please refer to the Notice of this AGM.

➤ **Financial Year:** April 1, 2021 to March 31, 2022

➤ **Dividend Payment Date-** N. A.

➤ **Listing information:**

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

Name of Stock Exchange	Address	Stock Code
BSE LIMIT-ED	PhirozeJeejeebhoy Towers, Dalal Street, Mumbai 400 001- (Maharashtra)	526871

The Company has paid the requisite Annual Listing Fees to the BSE Stock Exchange for the financial year 2021-22. The Securities have not been suspended from trading.

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

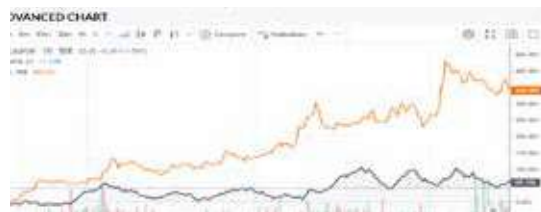
### ➤ MARKET PRICE DATA HIGH LOW DURING EACH MONTH IN THE FINANCIAL YEAR 2021-22:

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

MONTH 2021-2022	HIGH (Rs.)	LOW (Rs.)	VOLUME OF SHARES TRADED
Apr 2021	13.75	12.74	2,386
May 2021	14.99	12.75	2,783
Jun 2021	18.94	12.15	33,338

Jul 2021	22.8	17.9	44,150
Aug 2021	20.05	14.9	15,268
Sep 2021	18.75	14	8,053
Oct 2021	20.85	15.9	12,732
Nov 2021	20.15	15.25	20,204
Dec 2021	26.95	15.45	38,256
Jan 2022	29.9	20.95	33,101
Feb 2022	28.85	19.75	13,686
Mar 2022	29.1	20.4	9,585

### ➤ The Company's share performance compared to the BSE Sensex for FY 2021-2022



### ➤ REGISTRAR AND SHARE TRANSFER AGENTS:

#### Beetal Financial and Computer Services Private Limited

Address: Beetal House, 3<sup>rd</sup> Floor, 99 Mandangir, Khanpur Behind Baba Harsukhdas Mandir Tel. No. 011-29961281-283; Fax 011-29961284  
Email: [beetalrta@gmail.com](mailto:beetalrta@gmail.com)

### ➤ SHARE TRANSFER SYSTEM

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

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

## ➤ DISTRIBUTION OF SHAREHOLDING

Table I & II below gives the distribution pattern of shareholding of the Company by size and ownership respectively as on March 31<sup>st</sup>, 2022.

### ➤ Table I: Distribution of shareholding by size as on March 31<sup>st</sup>, 2022:

Share Holding of Nominal Value of Rs.10	No. of Share-holders	% of Total	No of Shares	Amount in Rs.	% of Total
up to 5000	1398	89.78	132853	1328530.00	0.7234
5001 to 10000	76	4.88	56886	568860.00	0.3097
10001 to 20000	43	2.76	62063	620630.00	0.3379
20001 to 30000	8	0.51	19257	192570.00	0.1048
30001 to 40000	3	0.19	10350	103500.00	0.0564
40001 to 50000	2	0.12	8550	85500.00	0.0466
50001 to 100000	9	0.57	61162	611620.00	0.3330
100001 and above	18	1.15	18015129	180151290.00	98.0882
<b>Total</b>	<b>1054</b>	<b>100.00</b>	<b>18366250</b>	<b>183662500</b>	<b>100.00</b>

### ➤ Table II: Distribution of shareholding by ownership as on March 31, 2022:

Category	No. of shares held	Percentage of shareholding (%)
<b>PROMOTER'S HOLDING</b>		
Promoters- Indian Promoters	10064522	54.8
Foreign Promoters	3646142	19.85
Persons acting in Concert	-	-
<b>Sub-Total</b>	<b>13710664</b>	<b>74.64</b>
<b>NON-PROMOTER'S HOLDING</b>		
Institutional Investors	-	-
Mutual Funds & UTI	-	-
Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non-Government Institutions)	-	-

Foreign Institutional Investors	-	-
<b>Sub-Total</b>	<b>-</b>	<b>-</b>
Others	-	-
Private Corporate Bodies	4131065	22.49
Indian Public	375577	2.04
NRI/OCBs	1985	0.03
Any other (please specify)	146959	0.8
<b>Sub-Total</b>	<b>4655586</b>	<b>25.36</b>
<b>Total</b>	<b>18366250</b>	<b>100</b>

## ➤ DEMATERIALIZATION OF SHARES AND LIQUIDITY:

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

As on March 31, 2022, the Company's total paid-up Capital representing number of shares is in dematerialized form and in physical form is mentioned below.

Sl. No.	Category	Number of equity shares	% age of the Company's total paid-up share Capital
1	Demat	18272039	99.487
2	Physical	94211	0.513
3	<b>Total</b>	<b>18366250</b>	<b>100.00</b>

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

## ➤ OUTSTANDING GDRS/ADRS/WARRANTS/ CONVERTIBLE INSTRUMENTS AND THEIR IMPACT ON EQUITY

The Company does not have any outstanding GDRs/ ADRs / Warrants / Convertible Instruments.

## ➤ COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

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

## ➤ PLANT LOCATIONS –

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

## ➤ ADDRESS FOR CORRESPONDENCE

**Compliance Officer**-Ms. Vandana Das

**Registered office:** Intec Capital Limited

708, Manjusha, 57 Nehru Place, New Delhi-110



019, India

Phone No. : 011-46522200/300,

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

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

During the year no Credit Ratings has been obtained by the Company.

**7. OTHER DISCLOSURES:**

**a) Disclosures on materially significant related party transactions**

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

Weblink: <http://www.intecccapiatal.com/wp-content/uploads/2021/03/Related-Party-Transaction-Policy.pdf>

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

Details of penalty imposed on the Company by stock exchange, SEBI or any other statutory authority, nor any instance of non-compliance with any legal requirements, or any matter related to capital market, during the last three years are as follows:

Financial Year	Non-Compliance of Regulation	Author-ity	Penalty Amount inclu-sive of GST (in Rs.)
2021-22	17(1) of SEBI (LODR), 2015	BSE	-
	17(1A) of SEBI (LODR), 2015		-
2020-21	17(1) of SEBI (LODR), 2015	BSE	15,87,100.00*
	17(1A) of SEBI (LODR), 2015		1,62,840.00**

2019-20	34 of SEBI (LODR), 2015	BSE	49,560.00**
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\* The company has complied with the said violations and the penalty amounting Rs. 10,79,700.00 was waived of by the Bombay Stock Exchange (BSE) via an intimation received by the company on 25<sup>th</sup> June 2021 for June and September 2020 quarter. However, the remaining penalty amounting to Rs. 5,07,400/- (inclusive of 18% of GST) for December 2020 quarter was not relinquished by the BSE which has been duly paid by the Company to the BSE on 16.03.2022

\*\* Has been duly paid by the company to the BSE.

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

The Company has a Whistle Blower Policy to provide vigil mechanism for Directors/ Employees to voice their concerns in a reasonable and effective manner regarding unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. It also provides adequate safeguards against victimization of Directors/ Employees who avail the mechanism and are free to report violations of applicable laws and regulations and the code of conduct. The Company affirms that during FY 2021-22, no personnel have been denied access to the Audit Committee.

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

Weblink: <http://www.intecccapiatal.com/wp-content/uploads/2021/06/Vigil-Mechanism-Whistle-Blower-Policy.pdf>

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

The Company has complied with all the applicable mandatory requirements of the Listing Regulations.

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

- Shareholders' Rights: As the Quarterly and Half Yearly Financial Results are published in the newspapers and are also posted on the Company's website, the same are not being sent separately to the shareholders.
- Reporting of Internal Auditor: The Internal Auditors of the Company make presentation to the Audit Committee on their reports.



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

<http://www.inteccapital.com/wp-content/uploads/2021/03/Material-Subsidiary-Policy-Of-Intec-Capital-Limited-1.pdf>

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

<http://www.inteccapital.com/wp-content/uploads/2021/03/Related-Party-Transaction-Policy.pdf>

- g) **Disclosure of commodity price risks and commodity hedging activities:**

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

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

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

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

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

- j) **Total fees paid to the statutory auditor:**

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

COMPANY	LOAN TAKEN COMPANY	AMOUNT
INTEC CAPITAL LIMITED	PANTEC CONSULTANT PRIVATE LIMITED	22,50,0000

(Amount in Lacs)

Type of Service	F.Y 2021-2022	F.Y 2020-2021
Statutory Audit	5.50	5.50
Tax Audit	1	1
Limited Reviews	3	3
Other services	0.50	0.55
Out-of-pocket Expenses	0.61	0.76
<b>Total</b>	<b>10.61</b>	<b>10.81</b>

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

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

During FY 2021-22, the complaints received and the details relating thereto were as follows for the period under review:

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

- All the recommendations of the various committees were accepted by the Board.
- Corporate Governance report for the whole of financial year is given in table below:

- l) **Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount:**

**m) Disclosure on website in terms of Listing Regulations:**

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

**1. Annual Affirmations:**

Sl. No.	Particulars	Regulation Number	Compliance status
1.	Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or eligibility	16(1)(b) & 25(6)	Yes
2.	Board composition	17(1)	Yes
1.	Meeting of Board of directors	17(2)	Yes
2.	Review of Compliance Reports	17(3)	Yes
3.	Plans for orderly succession for appointments	17(4)	Yes
4.	Code of Conduct	17(5)	Yes
5.	Fees / compensation	17(6)	Yes
8.	Minimum Information	17(7)	Yes
9.	Compliance Certificate	17(8)	Yes
10.	Risk Assessment & Management	17(9)	Yes
11.	Performance Evaluation of Independent Directors	17(10)	Yes
12.	Composition of Audit Committee	18(1)	Yes
13.	Meeting of Audit Committee	18(2)	Yes
14.	Composition of nomination & remuneration committee	19(1) & 19(2)	Yes
15.	Composition of Stakeholder Relationship Committee	20(1) & (2)	Yes
16.	Composition and role of risk management committee	21(1),(2),(3),(4)	NA
17.	Vigil Mechanism	22	Yes
18.	Policy for related party Transaction	23(1),(5),(6),(7) & (8)	Yes
19.	Prior or Omnibus approval of Audit Committee for all related party-transactions	23(2), (3)	Yes
20.	Approval for material related party transactions	23(4)	NA

21.	Composition of Board of Directors of unlisted material Subsidiary	24(1)	NA
22.	Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2), (3), (4), (5) & (6)	Yes
23.	Annual Secretarial Compliance Report (ASCR)	24A	Yes
24.	Maximum Directorship & Tenure	25(1) & (2)	Yes
25.	Meeting of Independent Directors	25(3) & (4)	Yes
26.	Familiarization of Independent Directors	25(7)	Yes
27.	Memberships in Committees	26(1)	Yes
28.	Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
29.	Disclosure of Shareholding by Non- Executive Directors	26(4)	Yes
30.	Policy with respect to Obligations of directors and senior management	26(2) & 26(5)	Yes

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

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

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

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

#### SUBSIDIARY COMPANY MONITORING FRAMEWORK

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

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

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

**Date:** 5<sup>th</sup> August, 2022

**Place:** New Delhi

**For and on behalf of Intec Capital Limited**

**Sd/-**  
**Sanjeev Goel**  
**Managing Director**  
**DIN:00028702**

**Sd/-**  
**S.K.Goel**  
**Non- executive Independent Director**  
**DIN:00963735**

## **ANNEXURE 5A**

Date: 28<sup>th</sup> July, 2022

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

### **ANNUAL CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2022**

I, Hannu Goyal of M/s Hannu Goyal & Associates, Company Secretaries, have examined the relevant records of 'Intec Capital Limited' (the Company) for the purpose of certifying compliance of the conditions of Corporate Governance under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended on 31<sup>st</sup> March, 2022. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of this certification. The compliance of conditions of Corporate Governance is the responsibility of the management. My examination has been limited to the procedures and implementations thereof. This certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

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

#### **For M/s Hannu Goyal & Associates**

**CS Hannu Goyal**  
**(Practicing Company Secretary)**  
**ACS No: 68678**  
**C P No: 25568**  
**UDIN: A068678D000697691**  
**Peer Reviewed Certificate No. 2492/2022**

**Place: New Delhi**  
**Date: 28th July, 2022**

## ANNEXURE 6

### Form No. MR-3

#### SECRETARIAL AUDIT REPORT For the Financial Year ended on 31st March, 2022

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

To,  
The Members,  
Intec Capital Limited  
CIN: L74899DL1994PLC057410  
708, Manjusha Building 57,  
Nehru Place, New Delhi-110019

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by 'Intec Capital Limited' (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by 'Intec Capital Limited' (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Further, keeping in view the extant situation of Covid-19 pandemic and the issues being caused by the same, I have conducted my Audit in the most reasonable manner as possible. Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the Audit Period covering the Financial Year ended on 31st March, 2022, deviated from completely complying with the statutory provisions listed hereunder. However, on the basis of the perusal of the documents & papers inter-alia the paraphernalia shown to me, it appears that the Company has a proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books,

forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and (Prohibition of Insider Trading) Amendment Regulation 2018 notified on dated 21.01.2019;
  - (c) The Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines 1999;

*The Company has not had any Shares acquired nor has acquired any shares during the period under review and therefore, the above regulations are not applicable to the Company during the Audit period.*

*The Shares of the Company are being duly traded on the Bombay Stock Exchange during the year under review. Further, there has been no event pertaining to insider trading during the Audit Period.*

*The Company has not issued any Shares under any Scheme to any of its Employees during the period under review and therefore, the above regulations are not applicable to the Company during the Audit period*

- (d) The Securities and Exchange Board of India (Issue of capital and disclosure requirements) Regulations, 2009;

*The Company has not issued any fresh capital during the year under review & therefore, the above regulations are not applicable to the Company during the Audit period.*

- (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulation, 2009;

*The Company has not delisted/ proposed to delist its Equity Shares from any Stock Exchange during the Financial Year under review and therefore, the above regulations are not applicable to the Company during the Audit period.*

- (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

*The Company has neither bought back nor proposed to buyback any of its Securities during the Financial Year under review and therefore, the said Regulations are not applicable to the Company during the Audit period.*

- (g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

*The Company has not issued any Debt Securities during the year under review and therefore, the above regulations are not applicable to the Company during the Audit period*

- (h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

*The Company is not registered as 'Registrar to Issue and Share Transfer Agent' during the financial year under review the therefore, the above Regulations are not applicable during the Audit period.*

- (i) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

*The Company has not issued any Shares under any Scheme to any of its Employees during the period under review and therefore, the above regulations are not applicable to the Company during the Audit period*

- (vi) Other Applicable Acts:

- (a) The Minimum Wages Act, 1948 and rules made there under,
- (b) Employees' State Insurance Act, 1948, and rules made there under,
- (c) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and rules made there under,
- (d) Payment of Gratuity Act, 1972, and rules made there under,
- (e) The Maternity Benefit Act, 1961 and rules made there under,
- (f) The Employees' Compensation Act, 1923 and rules made there under,
- (g) Equal Remuneration Act, 1976 and rules made there under,
- (h) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959 and rules made there under,

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

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

- (i) Secretarial Standards of the Institute of Company of Secretary of India.
- (ii) The Listing Agreements entered into by the Company with the 'Bombay Stock Exchange' ((Listing Obligations and Disclosure Requirements), 2015 for Equity Shares (ISIN-INE017E01018)

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



- There has been a violation of Regulation 17(1) under SEBI (LODR) during the Financial Year under review. The violation initially occurred for the quarter ended on June, 2020, September, 2020 & December, 2020. Representations were made by the Company before the 'Waiver Committee' of the 'Bombay Stock Exchange', wherein the penalty for the first two quarters was waived-off and the penalty for the third quarter amounting to Rs. 5,07,400/- was imposed and the same was duly paid by the Company.
  - Further, there also occurred a violation under Regulation 17(1A) under the SEBI (LODR) for which the Company has again made its representations before the 'Waiver Committee'. The matter is still pending adjudication.
  - During the Financial Year under review, the Company has made a delay of 8 days in filing the Form AOC-4 CFS NBFC(IND-AS) for the Financial Year ended on 31.03.2021.
  - The Company has made substantial delays in carrying out the requisite monthly, quarterly & annual filings on the 'xbrl.rbi.org.in.orfxbrl' portal. As per the information and explanations given by the Company's management, the said delays have specifically occurred on account of the then prevailing Covid-19 circumstances due to which, most of the times during the period under review, either a major portion of the office staff was on leave/ working remotely through their respective residence or the office premises of the company was mandatorily shut due to the lock-downs & other restrictions being imposed by the State Government & other authorities.
  - The Annual Report on the Corporate Social Responsibility (CSR) forming part of the Board report of the Company for the financial year ended 31<sup>st</sup> March 2021 is not as per the amended format prescribed under the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 effective from 22<sup>nd</sup> January 2021.
  - As per Clause 6.4. of revised Secretarial Standard on Board Meetings (SS-1), Resolutions passed by circulation shall be noted at subsequent Meeting of the Board and the text thereof with dissent or abstention, if any, shall be recorded in the Minutes of such Meeting. The text of the resolution passed through circulation was not forming part of the proceedings of the respective meetings of Board.
  - As per Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016, the company shall pass in the meeting of its Board of Directors within thirty days of the issue of these directions and there after within thirty days of the commencement of the next financial year and each subsequent financial year, a resolution to the effect that the company has neither accepted public deposit nor would accept any public deposit during the year. The resolution to the effect has been passed at meeting of Board dated 10<sup>th</sup> June 2021, i.e., after a delay of approx. 41 days.
- I further report that:
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notices are given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- As informed, the company has responded appropriately to notice received from various statutory/ regulatory authorities including initiating actions for corrective measures, wherever found necessary.
- I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- It is further stated that the Company is in receipt of a Complaint from one of the investors of the Company during the Financial Year under review wherein, certain violations in respect of the Companies Act, 2013 and the SEBI Laws have been alleged against the Company. The Complaint has been filed before various fora including the Office of the Registrar of Companies, NCT of Delhi & Haryana, Bombay Stock Exchange, Securities & Exchange Board of India, Reserve Bank of India, etc.

On the basis of a detailed perusal of the Complaint and while looking into the contentions filed by the Company before the applicable statutory authorities, it appears that there is a pre-existing dispute between the said Complainant and the Company before the said Complaint was even lodged. The matter is already pending adjudication before various Government Authorities as aforesaid, therefore, no comments in this regard are being made in the instant Report so that the adjudication is not influenced in any manner whatsoever.

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

- (i) Public/Right/Preferential issue of shares/ debentures/ sweat equity, etc.;
- (ii) Redemption/ buy-back of securities;
- (iii) Merger/ amalgamation/ reconstruction, etc.;
- (iv) Foreign technical collaborations.

**Date:** 22.06.2022

**Place:** Delhi

**For Puneet Pandey & Associates  
(Company Secretaries)**

**Puneet Kumar Pandey  
(Proprietor)  
COP No-10913  
M. No-A29848  
UDIN-A029848D000525244**

**Note: This Secretarial Audit findings are based upon the information made available to me and it should not be treated as Compliance Report**

## ANNEXURE-7

### Form No. AOC-2

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

#### 1. Details of contracts or arrangements or transactions not at arm's length basis

- Name(s) of the related party and nature of relationship: NA
- Nature of contracts/arrangements/transactions: NA
- Duration of the contracts / arrangements/transactions: NA
- Salient terms of the contracts or arrangements or transactions including the value: NA
- Justification for entering into such contracts or arrangements or transactions: NA
- Date(s) of approval by the Board: NA
- Amount paid as advances: NA
- Date on which the special resolution was passed in general meeting as required under first proviso to section 188: NA

The company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2021-22.

#### 2. Details of material contracts or arrangement or transactions at arm's length basis

Name(s) of the related party and nature of relationship	Mr. Pranav Goel (Immediate relative of Director)	Mr. Dhruv Goel (Immediate relative of Director)
Nature of contracts/arrangements/transactions	Contract of Employment	
Duration of the contracts / arrangements/transactions	As per the contract of employment	
Salient terms of the contracts or arrangements or transactions including the value	As per the contract of employment	
Date(s) of approval by the Board, if any	08 <sup>th</sup> May 2020	11 <sup>th</sup> September 2020
Amount paid as advances	NIL	NIL

For and on behalf of Board of Directors  
Intec Capital Limited

Sanjeev Goel  
Managing Director  
DIN: 00028702

SK. Goel  
Director  
DIN: 00963735

Date: 5<sup>th</sup> August, 2022  
Place: New Delhi

## **ANNEXURE – 8:**

# **MD & CFO CERTIFICATE ON FINANCIAL STATEMENTS**

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

**Subject: Managing Director & #CFO Certificate under Regulation 33(2)(a) of SEBI (LODR) Regulation 2015**

*#Note: This is to inform you that this certificate is given by the Managing Director of the company considering the fact that Ms. Radhika Rautela, Chief Financial Officer of Intec Capital Limited ("the Company") has resigned from the Company with effect from 27<sup>th</sup> May, 2022.*

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

1. I have reviewed the Audited Financial Results of the company;
  - 0.1. These Audited Financial Results does not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 0.2. These Audited Financial Results together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There is no transactions entered into by the Company during the Year and quarter ended as on 31<sup>th</sup> March 2022, that are fraudulent, illegal or violate the Company's Code of Conduct and Ethics, except as disclosed to the Company's Limited Review Report for the Year and quarter ended as on 31<sup>th</sup> March 2022 and the Company's Audit Committee of the Board of Directors.
3. I accept the responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the Company pertaining to Financial Reporting and they have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
4. I have indicated to the Auditors and the Audit Committee:
  - (i) that there are no significant changes in internal control over financial reporting during the year;
  - (ii) that there are no significant changes in accounting policies during the quarter subject to change in the same and that the same have been disclosed in the notes to the financial statements; and
  - (iii) that there are no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over Financial Reporting.
5. I affirm that I have not denied any personnel access to the audit committee of the Company (in respect of matters involving alleged misconduct) and I have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices.

**For Intec Capital Limited**

**Sanjeev Goel**  
**Managing Director**  
**DIN: 00028702**

**Date: 5th August, 2022**  
**Place: New Delhi**

## ANNEXURE – 9:

# Management Discussion and Analysis Report (MDAR)

### 1. INDUSTRY AND ECONOMIC SCENARIO:

The Financial Year 2021-22 was fairly a year of recovery from the adverse impacts of COVID-19 pandemic. The Indian economy successfully faced the challenges posed by the second and third waves of the pandemic, thanks to successful implementation of vaccination program, untiring services of the front line warriors, fiscal and monetary policies, stimulus measures of Reserve Bank of India, central and state governments which gave a much-needed cushion for the stability of the economy.

According to the second advance estimates of India's Gross Domestic Product (GDP) published by the National Statistical Office for the financial year 2021-22, GDP growth in the first and second quarter was 20.1% and 8.4% respectively. In the third quarter, the GDP growth slowed down to 5.4%. In the fourth quarter, India witnessed third wave of infection but remained largely unaffected owing to vaccination of large proportion of population. India's GDP growth in Financial Year 2021-22 is estimated at 8.9%, compared to a contraction of 7.3% in Financial Year 2020-21.

The Index of Industrial Production grew 11.3% against an 8.4% contraction in Financial Year 2020-21. The consumer and business confidence was resilient with improvement in general economic situation, household incomes, and spending.

The Economic Survey 2021-22 stated that the total consumption is estimated to have increased by 7.0% in Financial Year 2021-22 with Government consumption contributing the larger pie. Private consumption, on the other hand, is also expected to have improved significantly to its pre-pandemic output levels. The macro-economic indicators suggest that the Indian economy is well on its way to achieve its pre-pandemic growth levels in the current Financial Year 2023.

The geopolitical crisis of Russia-Ukraine war, which started in the last week of February 2022, is casting uncertainty over the global economy, with increased volatility in crude prices and inflationary trends across commodities. The consequential financial sanctions and political pressure from the war are causing unpredictable and undesired implications on the global financial system and our economy due to rising crude oil and other commodity prices leading to higher inflation.

Over the past few years, Non-Banking Financial Companies (NBFCs) have played a prominent role in the Indian financial system. They provide financial inclusion to the underserved section of the society that does not have easy access to credit. NBFCs have revolutionized the Indian lending system and have efficiently leveraged digitization to drive efficiency and provide customers with a quick and convenient financing experience. The plethora of services include vehicle financing, MSME financing, home financing, microfinance and other retail segments. The Government has consistently worked on the governance measures to strengthen the systemic importance of the NBFCs. As of January 31, 2022 there were approximately 9,495 NBFCs registered with Reserve Bank of India (RBI), of which 49 deposit accepting NBFCs.

COVID-19 has driven organisations to recognise the value and role of new-age technologies. The pandemic has boosted the technological advancement in the NBFC sector as well. Paper-based credit appraisals and loan processing are things of the past. The modern-day NBFCs are leveraging on technology and artificial intelligence. All critical stages of loan disbursement right from onboarding, KYC, loan sanctioning to loan agreements and loan disbursements are now done digitally. Technologies like AI and Machine learning are helping NBFCs strengthen their credit appraisal processes and find the right customers in lesser time. By moving towards paperless loan sanctioning processes, the sector has taken a collective step towards sustainability.

The pandemic impacted the NBFCs operations, leading to decline in disbursements across the sectors. However, the support and focus of the Government through various liquidity measures such as repo rate cut, targeted long-term repo operations, special liquidity scheme and partial credit guarantee scheme, kept the sector afloat.

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

## 2. OPPORTUNITIES AND THREAT:

NBFCs have played an important role by providing funding to the unbanked sector by catering to the diverse financial needs of the customers. Further, such companies play a critical role in participating in the development of an economy by providing a fillip to transportation, employment generation, wealth creation, bank credit in rural segments and to support financially weaker sections of the society. Emergency services like financial assistance and guidance is also provided to the customers in the matters pertaining to insurance.

In the current year, the challenges for NBFCs have moved from liquidity to asset quality with the COVID-19 outbreak and the impact on customers repayment capacity to repay loans. Liquidity covers of the NBFCs are largely dependent on the repayments that they receive from their customers. In order to revive the economy, the RBI had announced numerous measures to inject liquidity and keep the cost of funds benign to increase credit offtake and promote economic growth.

In first half of FY 2021-22, collections were impacted, due to the announcement of lock down and rescheduling of payments as per the COVID-19 - Regulatory Package announced by the regulator on repayments between March 1, 2020 to August 31, 2020. With the increase in economic activity, post partial lockdowns being lifted, collection efficiencies across the lending entities have improved post September 2020.

### Threats:

- Inflation
- Geopolitical crisis
- Longer duration of COVID-19
- Competition from captive finance companies, small banks
- Increase in finance cost due to larger liquidity buffer maintained to face uncertainties of pandemic

## 3. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE OF THE COMPANY:

The Company operates in single segment, i.e. providing loans and finance in India. The revenue from operations from the aforesaid sector during the year was Rs. 1,088.48 Lacs.

## 4. OUTLOOK:

With the uncertain growth and a slowdown in credit demand, NBFCs are expected to turn cautious,

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

RBI's Survey of Professional Forecasters (SPF) carried out during March 2022 provide a median GDP growth forecast of 7.5 per cent and inflation forecast of 5.5 per cent for Financial Year 2023.

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

## 5. RISKS AND CONCERNS:

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

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

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

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

To mitigate the liquidity risk there is a special treasury team to manage this issue who reports



directly to the managing director. The company has tapped various means of funding such as term loans, working capital limits, non- convertible debentures and cash credit limits.

## 6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

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

## 7. DISCUSSION ON FINANCIAL PERFORMANCE:

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

(Amount in Lacs)

Year	Total Revenue	Profit/ Loss after Tax	EPS
2020-21	804.07	1,903.59	10.36
2021-22	1,094.67	359.10	1.96

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

Human resources are a valuable asset for any organization. The Company is committed to create an environment of constant learning and development, drive an effective and transparent performance culture and build a culture of appreciation & transparent communication. The Company is giving emphasis to upgrade the skills of its human resources. This is in keeping with its policy of enhancing the individual's growth potential within the framework of corporate goals. Total number of employees as on 31st March 2022 stood at 61.

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

Following are the details of significant changes in the key financial ratios as compared to the immediately previous financial year:

Particular	F.Y. 2021-2022	F.Y. 2020-2021	Difference between FY	% in change from the last FY	Reason (if more than 25% change)
(i) Debtor Turnover	NA	NA	NA	NA	NA
(ii) Inventory Turnover	NA	NA	NA	NA	NA
(iii) Interest Coverage Ratio	(21.45)	93.32	(114.77)	(123)%	Due to Gain on extinguishment of borrowings under one time settlement and not booked interest cost
(iv) Current Ratio	1.17	0.40	0.77	193%	Due to increase in current asset as compared to current liabilities
(v) Debt Equity Ratio	0.75	0.99	(0.24)	(24)%	Due to gain on extinguishment of borrowing under One time settlement and non-booking of interest cost
(vi) Operating Profit Margin (%)	NA	NA	NA	NA	NA
(vii) Net Profit Margin (%)	33%	237%	(204)%	(86)%	Due to gain on extinguishment of borrowing under One time settlement and non-booking of interest cost.

## DETAILS OF ANY CHANGE IN RETURN ON NET WORTH

Particulars	For the Financial Year	For the Financial Year
	2021-22	2020-21
<b>Net worth:</b>		
<b>Share Capital</b>	<b>1836.63</b>	<b>1836.63</b>
<b>Statutory Reserve</b>	<b>1868.50</b>	<b>1796.68</b>
<b>Securities Premium</b>	<b>8843.84</b>	<b>8843.84</b>
<b>Surplus in P &amp; L</b>	<b>(7323.91)</b>	<b>(6776.03)</b>
<b>Total Net worth</b>	<b>5225.06</b>	<b>5701.12</b>
<b>PAT</b>	<b>359.10</b>	<b>1903.59</b>
<b>Return on Net worth</b>	<b>6.87%</b>	<b>33%</b>

## CAUTIONARY STATEMENT

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

**Date:** 5<sup>th</sup> August, 2022

**Place:** New Delhi

**For and on behalf of Intec Capital Limited**

**Sd/-**  
**Sanjeev Goel**  
**Managing Director**  
**DIN:00028702**

**Sd/-**  
**S.K.Goel**  
**Non- executive Independent Director**  
**DIN:00963735**

## ANNEXURE – 10:

# FAMILIARIZATION POLICY AND PROGRAMME FOR DIRECTORS

### 1. Preamble:

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

Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

### 2. Objective

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

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

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

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

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

On-going Familiarization Programme on business and operational performance for both new and continuing/ existing Independent Directors		
Sl.	Headings	Description of Programme
4.1	Programme “as needed” basis	This module will be restructured as and when necessary and will be conducted “as needed” basis during the year. The programmes will be conducted for new and continuing Independent Directors of the Company depending upon the need.
4.2	The Agenda / business transactions, presentations in the Board Meetings etc.	The Agenda / business transactions and presentation of various Board Meeting and various committees of Board and Annual General Meeting etc. covers proper recitals and background of business transactions thereby enables them to informed and fair decision.
4.3	The presentations Agenda / business transactions of various statutory meeting	The Agenda / business transactions of various statutory meeting viz. Board Meetings. And various committees of Board and Annual General Meeting etc. covers proper recitals and background of business transactions thereby enables them to informed and fair decision.
4.4	Session by the Auditors to understand the various applicable laws and its impact on Companies	The Management arranges session by the Auditors on the current legal scenario for the companies, compliance management, risk mitigation as well as the changing role and responsibilities of the Board of Directors. One such session on the newly introduced Companies Act 2013 and its impact on the company and its Board of Directors were arranged by the Management during.

**On-going Familiarization Programme on business and operational performance for both new and continuing/ existing Independent Directors**

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

**5. Programme and disclosure:**

- 5.1. As and when Familiarization Policy / Programme are conducted, the same will be disclosed on the website of the Company. The link for the Familiarization Policy / Programme is given below:

<https://www.inteccapital.com/wp-content/uploads/2022/05/Familiarization-Policy-Programme-for-Independent-Directors-of-Intec-Capital-Limited-in-terms-of-requirement-of-SEBI-LODR-2015-read-with-other-applicable-laws-as-amended-from-140222.pdf>

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

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

- 6.1. The Board of Directors on its own and/or as per the recommendations of Nomination and Remuneration Committee can amend this policy, as deemed fit from time to time.
- 6.2. The Familiarization Policy / Programme shall be reviewed as and when required.

**Date:** 5<sup>th</sup> August, 2022

**Place:** New Delhi

**For and on behalf of Intec Capital Limited**

**Sd/-**  
**Sanjeev Goel**  
**Managing Director**  
**DIN:00028702**

**Sd/-**  
**S.K.Goel**  
**Non- executive Independent Director**  
**DIN:00963735**

**ANNEXURE -11**

**DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT**

In Compliance with the Requirements of Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 this is to confirm that all Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the Year ended on March 31, 2022.

**Date:** 5<sup>th</sup> August, 2022

**Place:** New Delhi

**For and on behalf of Intec Capital Limited**

**Sd/-**  
**Sanjeev Goel**  
**Managing Director**  
**DIN:00028702**

**Sd/-**  
**S.K.Goel**  
**Non- executive Independent Director**  
**DIN:00963735**

## ANNEXURE-12

Date: 21<sup>st</sup> May, 2022

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

### Annual Secretarial compliance report of 'Intec Capital Limited' for the Financial Year ended 31<sup>st</sup> March, 2022

I, Arpit Garg, of M/s Arpit Garg & Associates, Company Secretaries, have examined:

- (a) all the documents and records made available to us and explanation provided by the subject Company ("the Listed Entity"),
  - (b) the filings/ submissions made by the Listed Entity to the stock exchanges,
  - (c) website of the Listed Entity,
  - (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,
- for the year ended, 31<sup>st</sup> March, 2022 ("Review Period") in respect of compliance with the provisions of:
- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
  - (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

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

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable to the Listed Entity During the Review Period.)
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not Applicable to the Listed Entity During the Review Period.)
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable to the Listed Entity During the Review Period.)
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not Applicable to the Listed Entity During the Review Period.)
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Listed Entity During the Review Period.)
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (Not Applicable to the Listed Entity During the Review Period.)
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015,

and circulars/ guidelines issued thereunder and based on the above examination, we hereby report that, during the Review Period:

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



Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1	Investor Complaint – Regulation 13(1)  Failure to ensure that adequate steps are taken for expeditious redressal of investor complaints	It has been observed that there was an investor complaint which remained unresolved at the end of the Quarter.	The listed entity had replied via mail on 06 <sup>th</sup> January, 2022 and 21 <sup>st</sup> February, 2022 and filed ATR on 16.05.2022 and is pending with the Stock Exchange (BSE).

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

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

Sr. No.	Action taken by the Listed Entity, if any	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
-	-	-	-	-

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

Sr. No.	Observations of the Practicing Company Secretary in the previous Reports	Observations made in the Secretarial Compliance Report for the Year ended 30 <sup>th</sup> March, 2021	Actions taken by the Listed Entity, if any	Comments of the Practicing Company Secretary on the actions taken by the Listed Entity
1.	-	Regulation 17(1A) under SEBI (LODR)  Special Resolution for appointment or continuation of non-executive director who has attained the age of 75 years  Mrs. Kumud Gupta turned 75 in January, 2021 but Special Resolution was not Passed. However, she resigned from Board on 31 <sup>st</sup> March, 2021.	It has been observed that there has been a delay of approximately 69 days in giving effect to the said compliance. A penalty of Rs. 1,62,840/- including GST @18% i.e., 24,840 was imposed upon the Listed Entity by the 'Bombay Stock Exchange' in this regard. The Listed Entity have complied with the directions of the Bombay Stock Exchange and paid such penalty on 27 <sup>th</sup> May, 2021.	Listed Entity has paid the late penalty on 27 <sup>th</sup> May, 2021

2.	-	<p>Regulation 17(1A) under SEBI (LODR)</p> <p>For Mr. S.K. Goel, Special Resolution was passed on 26<sup>th</sup> December, 2020</p>	<p>It has been observed that there has been a delay of approximately 136 days in giving effect to the said compliance. The company has applied for a waiver of levied penalty at the Committee for Reviewing Representations for Waiver of Fines Levied under Standard Operating Procedure (SOP) ("Waiver Committee") on 08<sup>th</sup> January 2021, 14<sup>th</sup> September, 2021 and 15<sup>th</sup> March, 2022.</p>	<p>The decision for the waiver is awaited</p>
3.	-	<p>Regulation 17(1) under SEBI (LODR)</p> <p>Composition of Board of Top 2000 Listed Entities on the basis of Market Capitalisation</p>	<p>As on 31<sup>st</sup> March, 2020, the company was in the list of top 2000 Listed Entities as per Market Capitalisation, but the board was not duly constituted of 6 Directors. However, the board was duly constituted on 26<sup>th</sup> December, 2020.</p>	<p>It has been observed that there has been a delay of approximately 269 days in giving effect to the said compliance. A penalty of Rs. 5,36,900/-including GST @18% i.e., Rs. 81,900 was imposed upon the Listed Entity by the 'Bombay Stock Exchange' for Non-Compliance w.r.t to constitution of Board of 6 Directors for Quarter Ended June, 2020. Further, a penalty of Rs. 5,42,800/-including GST @18% i.e., Rs. 82,800 was imposed upon the Listed Entity by the 'Bombay Stock Exchange' for Non-Compliance w.r.t to constitution of Board of 6 Directors for Quarter Ended September, 2020. Furthermore, a penalty of Rs. 5,07,400/-including GST @18% i.e., Rs. 77,400 was imposed upon the Listed Entity by the 'Bombay Stock Exchange' for Non-Compliance w.r.t to constitution of Board of 6 Directors for Quarter Ended December, 2020. However, the penalty for the Quarter ended June &amp; September, 2020 was waived off and the Listed Entity has paid the penalty for the Quarter ended December, 2020 on 16.03.2022.</p>

			<p>The company is in process of finalizing the appropriate vendor for Maintenance of Structured Digital Database (SDD) to ensure the timely compliance of the said regulation.</p>	<p>The Listed Entity has placed the vendor and has proper Digital Database in line.</p>
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**For M/s Arpit Garg & Associates**

**CS Arpit Garg**  
**(Practicing Company Secretary)**  
**ACS No: 60674**  
**C P No: 22703**  
**UDIN: A060674D000362096**

**Place: New Delhi**

**Date: 21.05.2022**

## ANNEXURE-13

# CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To

The Members

**INTEC CAPITAL LIMITED**

708, Manjusha Building

57 Nehru Place, New Delhi-110019.

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Director of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sl No.	Name of the Director	DIN	Date of Appointment
1.	Mr. Sanjeev Goel	00028702	15/02/1994
2.	Mr. Surender Kumar Goel	00963735	13/02/1998
3.	Mr. Rakesh Kumar Joshi	02410620	27/02/2002
4.	Ms. Shilpy Chopra	07161915	12/05/2021
5.	Mr. Ramesh Chander Tyagi	09009275	26/12/2020
6.	Mrs. Shalini Rahul	09357650	13/10/2021

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

**For UMESH KUMAR & ASSOCIATES  
COMPANY SECRETARIES**

**CS UMESH KUMAR**  
**M. No 21567 C.P No- 8361**  
**UDIN: A021567D000663472**

**Place: New Delhi**

**Date: 21/07/2022**

## INDEPENDENT AUDITOR'S REPORT

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

#### Qualified Opinion

We have audited the accompanying standalone financial statements of **Intec Capital Limited** (the "Company"), which comprise the Standalone Balance Sheet as at 31 March, 2022, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 (the 'Act') and the directions and guidelines issued by Reserve Bank of India as applicable to Non-Systemically Important Non-Deposit taking Non Banking Financial Company ('NBFC Regulations'), in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2022 and its Profit (including Other Comprehensive Loss), its changes in equity and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

The Company has availed term loans and working capital facilities from various banks, however, slow down of its lending business and increased level of non-performing / impaired loan portfolio, has impacted its cash flow / liquidity, and the Company is un-able to service term loans and working capital facilities including interest thereon to certain banks. The interest of Rs. 2,320.80 lakhs accrued on these loans has not been accounted / provided for by the Company, due to the reasons as described by the Company in note

no. 17.4 to these standalone financial statements. The same has resulted in the non-compliance of the Ind AS and inconsistency in the application of the accounting policies of the Company, and if the said interest would have been accounted / provided for, the Company's total comprehensive loss for the year, and borrowings and other equity as at the Balance Sheet date would have been Rs. 1,968.79 lakhs and Rs. 8,031.12 lakhs and Rs. 3,421.30 lakhs as against the reported figures of Rs. 352.01 lakhs of total comprehensive income and Rs. 5,710.32 lakhs and Rs. 5,742.10 lakhs respectively. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### Key Audit Matter

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

Key Audit Matter	How the matter was addressed in the audit
<p><b><u>Impairment of Financial Assets including Loans to the Customers (Expected Credit Losses)</u></b></p> <p>Ind AS 109 requires the Company to recognise impairment loss allowance towards its financial assets including loans to customers (designated at amortised cost) using the expected credit loss (ECL) approach. Such ECL allowance is required to be measured considering the guiding principles of Ind AS 109</p>	<p><b><u>Our Audit Procedure:</u></b></p> <p>We obtained and evaluated the management's estimations and specifically performed the work as under:</p> <ul style="list-style-type: none"> <li>- Read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109.</li> </ul>

Key Audit Matter	How the matter was addressed in the audit
<p>including unbiased, probability weighted outcome under various scenarios, time value of money, impact arising from forward looking macro-economic factors and availability of reasonable and supportable information without undue costs.</p> <p>Applying these principles involves significant estimation in various aspects, such as grouping of borrowers based on homogeneity by using appropriate statistical techniques, staging of loans and estimation of behavioral life, determining macro-economic factors impacting credit quality of receivables, estimation of losses for loan products with no / minimal historical defaults. Considering the significance of such allowance to the overall financial statements (and the degree of estimation involved in computation of expected credit losses), this area is considered as a key audit matter.</p>	<ul style="list-style-type: none"> <li>- Evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation and tested the controls around data extraction and validation.</li> <li>- Tested the ECL model, including assumptions and underlying computation.</li> <li>- Assessed the floor/minimum rates of provisioning applied by the Company for loan products with inadequate historical defaults.</li> </ul> <p><u>Our Results:</u></p> <p>The results of our testing were satisfactory and we considered the fair value of the financial assets including loans to customers recognised to be acceptable.</p>

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

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

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other

comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and the NBFC Regulations, as amended from time to time.

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

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

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

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

Our objectives are to obtain reasonable assurance



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

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

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

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order, 2020' ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure-'A'**, a statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. the Standalone Balance Sheet, the Standalone

Statement of Profit and Loss, the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

- d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014, as amended and the Companies (Accounting Standards) Amendment Rules, 2016, as amended, to the extent they are not inconsistent with the accounting principles prescribed in the NBFC Regulation.
- e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure-‘B’**;
- g. In our opinion, the remuneration paid by the Company to its Director is in accordance with the provisions of Section 197 read with Schedule V of the Act; and
- h. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32.1 to the standalone financial statements;
  - ii. The Company has not entered into any long-term contracts including derivative contracts.
  - iii. There has been no amount, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and

belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. No dividend was declared or paid during the year; hence, the said clause is not applicable.

**For S. P. Chopra & Co.**  
**Chartered Accountants**  
**Firm Regn. No. 000346N**

**(Gautam Bhutani)**  
**Partner**  
**M. No. 524485**  
**UDIN: 22524485AJVEOO7764**

**Place : New Delhi**  
**Dated: 28 May, 2022**

## ANNEXURE-‘A’ TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of the

**independent auditors’ report of even date on the standalone financial statements of Intec Capital Limited for the year ended 31 March, 2022)**

- (i) In respect of its property, plant and equipment, intangible assets and right to use assets;
  - a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment and relevant details of Right-to-use assets.
  - (B) The Company has maintained proper records showing full particulars of the Intangible assets.
  - b. As explained to us, the property, plant and equipments are physically verified by the management once in a period of three years, which in our opinion is reasonable, having regard to the size of the Company and nature of its property, plant and equipments. No material discrepancies were noticed on such physical verification.
  - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds in respect of the immovable properties included in the standalone financial statements under Property, plant and equipments and assets held for sale (other than premises where the Company is the lessee and the lease agreement is duly executed in its favour) are held in the name of the Company except for one immoveable property i.e. land (having carrying value of Rs. 4.82 lakhs) as disclosed in note no. 32.19 to the standalone financial statements.
  - d. The Company has not revalued any of its Property, plant and equipment (including Right to use assets) during the year.
  - e. According to the information and explanations given to us and based on our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at 31 March, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, as amended.
- (ii) (a) The Company’s business does not involve inventories, hence reporting under clause 3 (ii) (a) of the Order is not applicable.
  - (b) The Company has not been sanctioned any working capital limit, at any point of time during the year, from banks or financial institutions on the basis of security of current assets. However, Company is having outstanding working capital facilities from various banks since earlier year, wherein no returns/statements are required to be submitted as these facilities are under process of one time settlement (OTS) with these Banks.
- (iii) (a) As the Company is a NBFC, the reporting under clause 3(iii)(a) of the Order regarding loans, and advances in the nature of loans are not applicable.
  - (b) According to the information and explanations given to us and based on our examination of the records of the Company, the investment made by the Company are not prejudicial to its interest. Further, the Company during the year has not given any guarantee, security or loans, and advances in the nature of loans.
  - (c) and (d) During the year, the Company has not given any loans, and advances in the nature of loans, hence the reporting under clause 3(iii) (c) and 3(iii)(d) of the Order is not applicable.
  - (e) As the Company is a NBFC, the reporting under clause 3(iii)(e) of the Order regarding loans, and advances in the nature of loans are not applicable.
  - (f) During the year, the Company has not given any loans, and advances in the nature of loans, hence the reporting under clause 3(iii)(f) of the Order is not applicable.
- (iv) According to the information and explanations given to us, and on the basis of our examination of the records, the Company has complied with the provisions of Section 185 and 186 of the Act in

respect of the loans granted, investment made and guarantees and security provided, as applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence reporting under clause 3(v) of the Order is not applicable.

(vi) The maintenance of cost records has not been specified by the Central Government of India under sub-section (1) of Section 148 of the Act for any of the business activities carried out by the Company. Hence reporting under clause 3(vi) of the Order is not applicable.

(vii) In respect of statutory dues:

a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion the Company is generally regular in depositing undisputed statutory dues including Goods and Service Tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues as applicable with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31 March, 2022 for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues referred to in sub-clause (a) above, which have not been deposited on account of any dispute.

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) Based on the audit procedures and according to the information and explanations given to us, the Company has defaulted in repayment of loans and borrowings to the banks. The detail of the defaults has been given in the notes 17.3 and 17.4 to the standalone financial statements.

(b) Based on the audit procedures and according to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c) and (d) During the year, no term loan or short term loan or borrowings / funds were taken by the Company, hence reporting under these clauses is not applicable.

(e) Based on the audit procedures and according to the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary or associates. Further, the Company is not having any joint venture.

(f) Based on the audit procedures and according to the information and explanations given to us, the Company has not raised any loans during the year on pledge of securities held in its subsidiary or associates. Further, the Company is not having any joint venture.

(x) (a) According to the information and explanations given to us, the Company has neither raised funds by way of initial public offer nor further public offer (including debt instruments) during the year, hence reporting under this clause is not applicable.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year, hence reporting under this clause is not applicable.

(xi) (a) Based on the audit procedures and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, as amended, with the Central Government, during the year and upto the date of this report.

(c) According to the information and explanations given to us and based on our examination of the records of the Company, no whistle blower complaint was received by the Company during the year.

- (xii) The Company is not a Nidhi Company, hence reporting under clauses 3(xii)(a) to 3(xii)(c) is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable. The details of such transactions have been disclosed in the financial statements, as required by Ind AS 24 – Related Party Disclosures.
- (xiv) (a) In our opinion and based on our examination, the Company has an adequate internal audit system commensurate with the size and the nature of its business, as per the provisions of the Act.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with Directors or persons connected with them.
- (xvi) (a) The Company is required to and has been registered under section 45-IA of the Reserve Bank of India Act, 1934 as a Non-systematically Important Non-Deposit taking Non-Banking Financial Company.
- (b) The Company is conducting its activities as Non-Systematically Important Non-Deposit Taking Non-Banking Financial Company vide Certificate No. B-14.00731 dated November 04, 2009 issued by the Reserve Bank of India.
- (c) The Company is a Non-Banking Financial Company (NBFC) as defined in the regulations made by RBI, and it has continued to fulfil the criteria of a NBFC as stipulated by RBI.
- (d) As informed and in our view, there is no other Non-Banking Financial Company within the Group of the Company.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) & (b) During the year, no amount was required to be spent towards the Corporate Social Responsibility as Company has not made average net profits during the three immediately preceding financial years. Hence reporting under clause 3(xx) is not applicable.

**For S. P. Chopra & Co.**  
**Chartered Accountants**  
**Firm Regn. No. 000346N**

**(Gautam Bhutani)**  
**Partner**  
**M. No. 524485**  
**UDIN: 22524485AJVEOO7764**

**Place : New Delhi**  
**Dated: 28 May, 2022**



## ANNEXURE-‘B’

# TO THE INDEPENDENT AUDITORS’ REPORT

**(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of the independent auditors’ report of even date on the standalone financial statements of Intec Capital Limited for the year ended 31 March, 2022)**

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

We have audited the internal financial controls over financial reporting of Intec Capital Limited (“the Company”) as of 31 March, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

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

### **Auditor’s Responsibility**

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

and maintained and if such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**





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

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements

were operating effectively as at 31 March, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S. P. Chopra & Co.  
Chartered Accountants  
Firm Regn. No. 000346N**

**(Gautam Bhutani)  
Partner  
M. No. 524485**

**Place : New Delhi  
Dated : 28 May, 2022**

## Standalone Balance Sheet as at 31 March, 2022

(Amount in INR lakhs, unless otherwise stated)

Particulars	Note No.	As at 31 March, 2022	As at 31 March, 2021
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	5	411.28	100.59
Bank Balance other than cash and cash equivalents	6	1.39	2.43
Loans	7	7,953.53	9,085.07
Investments	8	777.21	777.21
Other financial assets	9	1,525.91	1,709.88
<b>Non-financial assets</b>			
Current tax assets (net)	10	3.06	26.71
Deferred tax assets (net)	11	2,787.23	2,799.77
Property, plant and equipment	12.a	39.05	52.30
Capital work-in-progress	12.b	0.35	0.35
Intangible assets	13	21.35	26.69
Right-of-use assets	14	95.29	93.66
Other non-financial assets	15	17.33	25.87
<b>Non-current assets held for sale</b>	16	122.93	122.93
<b>Total assets</b>		<b>13,755.91</b>	<b>14,823.46</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
Borrowings	17	5,710.32	7,155.15
Lease liabilities	32.6	111.10	106.32
Other financial liabilities	18		
"- Total outstanding dues of micro enterprises and small enterprises."		3.06	2.73
"- Total outstanding dues of other than micro enterprises and small enterprises."		319.52	312.08
<b>Non-financial liabilities</b>			
Provisions	19	2.84	2.97
Other non-financial liabilities	20	30.34	17.50
<b>EQUITY</b>			
Equity share capital	21	1,836.63	1,836.63
Other equity	22	5,742.10	5,390.08
<b>Total liabilities and equity</b>		<b>13,755.91</b>	<b>14,823.46</b>

The accompanying notes 1 to 32 form an integral part of the standalone financial statements.

As per our report of even date

**For S. P. Chopra & Co.**  
**Chartered Accountants**  
Firm Registration No. 000346N

**(Gautam Bhutani)**  
Partner  
Membership No.: 524485

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

**(Sanjeev Goel)**  
Managing Director  
DIN: 00028702

**(S.K. Goel)**  
Director  
DIN: 00963735

Place: New Delhi  
Date: 28 May, 2022

**(Vandana Das)**  
Company Secretary  
M. No. ACS – 53952

**Standalone Statement of Profit and Loss for the year ended 31 March, 2022**

(Amount in INR lakhs, unless otherwise stated)

Particulars	Note No.	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>INCOME</b>			
<b>Revenue from operations</b>			
Interest income	23	419.37	701.98
Fees and commission income	24	0.66	5.73
Recoveries of financial assets written off	25	668.45	4.12
<b>Total revenue from operations</b>		<b>1,088.48</b>	<b>711.83</b>
Other income	26	6.19	92.24
<b>Total income</b>		<b>1,094.67</b>	<b>804.07</b>
<b>EXPENSE</b>			
Finance costs	27	12.86	19.77
Impairment on financial instruments	28	197.61	(2,015.30)
Employee benefits expenses.	29	496.60	411.43
Depreciation and amortization	30	43.74	57.23
Other expenses	31	632.56	505.71
<b>Total expenses</b>		<b>1,383.37</b>	<b>(1,021.16)</b>
<b>(Loss) / Profit before exceptional item and tax</b>		<b>(288.70)</b>	<b>1,825.23</b>
Gain on extinguishment of borrowings under One Time Settlement	17.5	662.72	864.53
<b>Profit before tax</b>		<b>374.02</b>	<b>2,689.76</b>
<b>Tax expense</b>			
Earlier year's tax		-	30.32
Deferred tax	11.iii	14.92	755.85
<b>Total tax expense</b>		<b>14.92</b>	<b>786.17</b>
<b>Profit for the year</b>		<b>359.10</b>	<b>1,903.59</b>
<b>Other comprehensive income / (loss)</b>			
Items that will not be reclassified to profit or loss			
Re-measurement (loss) / gain on defined benefit plan		(9.47)	3.67
Income tax effect	11.iv	2.38	(0.95)
<b>Other comprehensive (loss) / income</b>		<b>(7.09)</b>	<b>2.72</b>
<b>Total comprehensive Income for the year</b>		<b>352.01</b>	<b>1,906.31</b>
Earnings per share: (Nominal value per share Rs. 10/-)	32.7		
Basic/Diluted earnings per share (in Rs.)		1.96	10.36

The accompanying notes 1 to 32 form an integral part of the standalone financial statements.

As per our report of even date

**For S. P. Chopra & Co.**  
**Chartered Accountants**  
 Firm Registration No. 000346N

**For and on behalf of the Board of Directors of**  
**Intec Capital Limited**
**(Gautam Bhutani)**  
 Partner  
 Membership No.: 524485

**(Sanjeev Goel)**  
 Managing Director  
 DIN: 00028702

**(S.K. Goel)**  
 Director  
 DIN: 00963735

 Place: New Delhi  
 Date: 28 May, 2022

**(Vandana Das)**  
 Company Secretary  
 M. No. ACS – 53952

## Standalone Statement of Cash Flows for the year ended 31 March, 2022

(Amount in INR lakhs, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>374.02</b>	<b>2,689.76</b>
<b>Adjustments for:</b>		
Depreciation and amortisation	43.74	57.23
Impairment on financial instruments	197.61	(2,015.30)
Liabilities no longer required written back	(0.70)	(29.53)
Gain on extinguishment of borrowings under one time settlement	(662.72)	(864.53)
Loss / (Profit) on disposal of property, plant & equipment (net)	0.67	(0.04)
Gain on lease termination/concession	-	(8.46)
Interest on income tax refund	-	(42.30)
Finance costs	12.86	19.77
<b>Operating (loss) before working capital changes</b>	<b>(34.52)</b>	<b>(193.40)</b>
<b>Movement in working capital:</b>		
Decrease in loans	933.93	390.97
Decrease / (Increase) in other financial assets	183.98	(35.79)
(Increase) / Decrease in other non-financial assets	(0.93)	9.77
Increase / (Decrease) in other financial liabilities	7.26	(152.58)
(Decrease) in provisions	(0.13)	(1.51)
Increase in other non-financial liabilities	12.87	10.38
<b>Cash flow from operations</b>	<b>1,102.46</b>	<b>27.84</b>
Taxes refund / adjustment (net)	23.65	454.02
<b>Net cash flow from operating activities (A)</b>	<b>1,126.11</b>	<b>481.86</b>
<b>Cash flow from investing activities</b>		
(Purchase)/sale of property, plant and equipment and intangible assets (net)	(8.30)	(13.94)
Recognition of non-current assets held for sale	-	(107.03)
Fixed deposits (free from lien)	1.04	1.13
<b>Net cash used in investing activities (B)</b>	<b>(7.26)</b>	<b>(119.84)</b>
<b>Cash flow from financing activities</b>		
Repayments/ settlements of secured loans	(782.11)	(459.76)
Payment of principal portion of lease liabilities	(14.39)	(15.61)
Payment of interest portion of lease liabilities	(8.22)	(13.44)
Finance costs	(3.44)	(5.55)
<b>Net cash used in financing activities (C)</b>	<b>(808.16)</b>	<b>(494.36)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>310.69</b>	<b>(132.34)</b>
Cash and cash equivalents at the beginning of the year	100.59	232.93
<b>Cash and cash equivalents at the end of the year</b>	<b>411.28</b>	<b>100.59</b>
<b>Notes:</b>		
1. The above Standalone Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind - AS) - 7 'Statement of Cash Flows'		
2. Cash and cash equivalents in the standalone balance sheet comprises of Cash in hand, Balances with Banks and Drafts on hand.		
Cash on hand	19.42	14.22
Balances with banks:		
- in current accounts	120.05	76.33
- in term deposits having original maturity of 3 months or less	-	10.04
Drafts on hand	271.81	-
	<b>411.28</b>	<b>100.59</b>

The accompanying notes 1 to 32 form an integral part of the standalone financial statements.

As per our report of even date

**For S. P. Chopra & Co.**  
**Chartered Accountants**  
Firm Registration No. 000346N

**(Gautam Bhutani)**  
Partner  
Membership No.: 524485

Place: New Delhi  
Date: 28 May, 2022

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

**(Sanjeev Goel)**  
Managing Director  
DIN: 00028702

**(S.K. Goel)**  
Director  
DIN: 00963735

**(Vandana Das)**  
Company Secretary  
M. No. ACS – 53952

## Standalone Statement of Changes in Equity for the year ended 31 March, 2022

(Amount in INR lakhs, unless otherwise stated)

### (A) Equity Share Capital

For the year ended 31 March, 2022

Balance as at 01 April, 2021	Changes in equity share capital during the year	Balance as at 31 March, 2022
1,836.63	-	1,836.63

For the year ended 31 March, 2021

Balance as at 01 April, 2020	Changes in equity share capital during the year	Balance as at 31 March, 2021
1,836.63	-	1,836.63

### (B) Other Equity

Particulars	Reserves & Surplus				Other Items of Other Comprehensive Income - Re-measurement gains/ (losses) on defined benefit plan	Total
	Statutory Reserve as per Section 45- IC of RBI Act, 1934	Securities Premium	Retained Earnings	Impairment Reserve (Refer note 32.18)		
Balance as at 1 April, 2021	1,796.68	8,843.84	(7,329.04)	2,073.47	5.13	5,390.08
Profit for the year	-	-	359.10	-	-	359.10
Other Comprehensive loss	-	-	-	-	(7.09)	(7.09)
<b>Total Comprehensive Income for the year</b>	-	-	<b>359.10</b>	-	<b>(7.09)</b>	<b>352.01</b>
Appropriation during the year	71.82	-	(324.79)	252.97	-	-
<b>Balance as at 31 March, 2022</b>	<b>1,868.50</b>	<b>8,843.84</b>	<b>(7,294.72)</b>	<b>2,326.44</b>	<b>(1.96)</b>	<b>5,742.10</b>

Particulars	Reserves & Surplus				Other Items of Other Comprehensive Income - Re-measurement gains/ (losses) on defined benefit plan	Total
	Statutory Reserve as per Section 45- IC of RBI Act, 1934	Securities Premium	Retained Earnings	Impairment Reserve		
Balance as at 1 April, 2020	1,415.96	8,843.84	(6,778.44)	-	2.41	3,483.77
Profit for the year	-	-	1,903.59	-	-	1,903.59
Other Comprehensive Income	-	-	-	-	2.72	2.72
<b>Total Comprehensive Income for the year</b>	-	-	<b>1,903.59</b>	-	<b>2.72</b>	<b>1,906.31</b>
Appropriation during the year	380.72	-	(2,454.19)	2,073.47	-	-
<b>Balance as at 31 March, 2021</b>	<b>1,796.68</b>	<b>8,843.84</b>	<b>(7,329.04)</b>	<b>2,073.47</b>	<b>5.13</b>	<b>5,390.08</b>

The accompanying notes 1 to 32 form an integral part of the consolidated financial statements.

As per our report of even date

**For S. P. Chopra & Co.**  
**Chartered Accountants**  
Firm Registration No. 000346N

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

**(Gautam Bhutani)**  
Partner  
Membership No.: 524485

**(Sanjeev Goel)**  
Managing Director  
DIN: 00028702

**(S.K. Goel)**  
Director  
DIN: 00963735

Place: New Delhi  
Date: 28 May, 2022

**(Vandana Das)**  
Company Secretary  
M. No. ACS – 53952  
ANNUAL REPORT 2021-22

## Notes to standalone financial statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

### 1. COMPANY INFORMATION

Intec Capital Limited (the 'Company') incorporated in India on 15 February, 1994, was registered with the Reserve Bank of India ('RBI') as a Non-Banking Financial Company ('NBFC') vide Certificate No. B-14.00731 dated 4 May, 1998 in the name of Intec Securities Limited. Subsequently, due to change in name of the Company, the Company received a revised Certificate of Registration ('CoR') in the name of Intec Capital Limited on 04 November, 2009 under Section 45-1A of the Reserve Bank of India Act, 1934. Equity shares of the Company are listed on the Bombay Stock Exchange Limited (BSE).

The standalone financial statements for the year ended 31 March, 2022, were approved by the Board of Directors and authorized for issue on 28 May, 2022, and recommended for consideration and adoption by the shareholders in their ensuing Annual General Meeting.

### 2. BASIS OF PREPARATION

#### 2.1 Compliance with Indian Accounting Standards (Ind-AS):

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015, and the other relevant provisions of the Companies Act, 2013 (the 'Act'), and the Master Direction – Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Non-Banking Financial Company (the 'NBFC Regulations') issued by RBI, as amended from time to time. The notified Indian Accounting Standards (Ind AS) are followed by the Company in so far as they are not inconsistent with the NBFC Regulations.

The standalone financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

#### 2.2 Presentation of standalone financial statements:

The Company presents its Balance Sheet

in order of liquidity. The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Company offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically unless they are material in nature.

#### 2.3 Historical Cost Convention

The standalone financial statements have been prepared on a historical cost basis, except, certain financial assets and liabilities, measured at fair value,

#### 2.4 Functional and present currency

The standalone financial statements are prepared in Indian Rupees ('Rs.'), which is the Company's functional and presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest lakhs with two decimal places, unless stated otherwise.

### 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of standalone financial statements in conformity with Ind AS requires the management to make use of estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of standalone financial statements, and the reported amount of revenues and expenses during the reporting period. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from those on which the Management's estimates are based.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are given below.

- Fair value of financial instruments

Fair value of financial instruments is required to be estimated for financial reporting



## Notes to standalone financial statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

purposes. The Company applies appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Company uses quoted prices and market-observable data to the extent it is available. When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, based on the inputs to these models taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

### • Impairment of financial assets – Expected Credit Loss

The measurement of impairment loss allowance for financial asset measured at amortized cost requires use of statistical models, significant assumptions about future economic conditions and credit behavior (e.g. likelihood of borrowers defaulting and resulting losses). In estimating the cash flows expected to be recovered from credit impaired loans, the Company makes judgements about the borrower's financial situation, current status of the project, net realizable value of securities / collateral etc. As these estimates are based on various assumptions, actual results may vary leading to changes to the impairment loss allowance. Further, judgement is also made in identifying the default and significant increase in credit risk (SICR) on financial assets as well as for homogeneous grouping of similar financial assets. Impairment assessment also takes into account the data from the loan portfolio, levels of arrears and an analysis of historical defaults.

### • Non recognition of income on Credit Impaired Loans

As a matter of prudence, income on credit impaired loans is recognized as and when received and / or on accrual basis when expected realization is higher than the gross loan amount outstanding.

### • Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

### • Useful life of property, plant and equipment

The Property, Plant and Equipment are depreciated on straight line method over their respective useful lives. Management estimates the useful lives of these assets as detailed in Note 4.5 below. Changes in the expected level of usage, technological developments, level of wear and tear could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised and could have an impact on the financial position in future years.

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 4.1 Revenue Recognition

#### (i) Interest Income

The Company recognises interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortised cost or fair value through other comprehensive income (FVOCI). EIR is calculated by

## Notes to standalone financial statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments / receipts through the expected life of the financial asset / financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

The Company recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets after setting-off of collateral amounts. In case of credit-impaired financial assets regarded as 'stage 3', the Company recognises interest income on the amortised cost net of impairment loss of the financial asset at EIR, to the extent of probability of its recovery. If the financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Interest on financial assets subsequently measured at fair value through profit and loss, is recognized on accrual basis in accordance with the terms of the respective contract.

### (ii) Dividend Income

Dividend Income on investments is recognized when the company's right to receive the payment is established, which is generally when shareholders approve the dividend.

### (iii) Fees and Commission

Processing fees and other servicing fees is recognized on accrual basis. The Company recognizes service and administration charges towards rendering of additional services to its loan customers on satisfactory completion of service delivery. Fees on value added services and products are recognized on rendering of services and products to the customer.

### (iv) Interest on Borrowings

Interest expense on borrowings subsequently measured at amortized cost is recognized using Effective Interest Rate (EIR) method.

### (v) Recoveries of Financial Assets written off

The Company recognises income on recoveries of financial assets written off on realisation or when the right to receive the same without any uncertainties of recovery is established.

### (vi) Sale of Loan Assets

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

### (vii) Other Income / Revenue

Other income / revenue is recognized to the extent that it is probable that the economic benefit will flow to the Company and it can be reliably measured.

## 4.2 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## 4.3 Financial Instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and payables, loan receivables, investments in subsidiaries and associates, borrowings, cash and cash equivalents, other bank balances etc. are some examples of financial instruments.

All the financial instruments are recognised on the date when the Company becomes party to the contractual provisions of the financial instruments.

### (i) Financial assets

Financial assets include cash, or an equity instrument of another entity, or a contractual right to receive cash or another financial asset from another

## Notes to standalone financial statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

entity. Few examples of financial assets are loan receivables, investment in equity instruments, trade receivables and cash and cash equivalents etc.

### Initial measurement

All financial assets are recognised initially at fair value including transaction costs that are attributable to the acquisition of financial assets except in the case of financial assets recorded at FVTPL where the transaction costs are charged to profit or loss.

### Subsequent measurement

#### (i) Classification and Measurement of Financial assets (other than Equity instruments)

For the purpose of subsequent measurement, financial assets (other than equity instruments) are classified into three categories:

- (a) Financial Assets at amortised cost
- (b) Financial Assets at FVOCI
- (c) Financial Assets at FVTPL

#### (a) Financial Assets at amortised cost

The Company measures its financial assets at amortised cost if both the following conditions are met:

- The asset is held within a business model of collecting contractual cash flows; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Sole Payments of Principal and Interest (SPPI) on the principal amount outstanding.

To make the SPPI assessment, the Company applies judgment and considers relevant factors such as the nature of portfolio and the period for which the interest rate is set.

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business

model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated financial assets going forward.

The business model of the Company for assets subsequently measured at amortised cost category is to hold and collect contractual cash flows. However, considering the economic viability of carrying the delinquent portfolios in the books of the Company, it may sell these portfolios to banks and/or asset reconstruction companies.

After initial measurement, such financial assets are subsequently measured at amortised cost on effective interest rate (EIR) as given in para 4.1.(i) above.

#### (b) Financial Assets at FVOCI

The Company subsequently classifies its financial assets as FVOCI, only if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Financial Assets included within the FVOCI category are measured at each reporting date at fair value with such changes being recognised in other comprehensive income (OCI). The interest income on these assets is recognised in profit or loss.

On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to profit or loss.

#### (c) Financial Assets at FVTPL

The Company classifies financial assets which

## Notes to standalone financial statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

are held for trading under FVTPL category. Held for trading assets are recorded and measured in the Balance Sheet at fair value. Interest and dividend incomes are recorded in interest income and dividend income, respectively according to the terms of the contract, or when the right to receive the same has been established. Gain and losses on changes in fair value of financial assets are recognised on net basis through profit or loss.

Term / fixed deposits held by the Company have been classified under this category

### (ii) Classification and Measurement of Equity instruments

All equity investments other than in subsidiaries are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company at initial recognition makes an irrevocable election to classify it as either FVTOCI or FVTPL. The Company makes such election on an instrument by instrument basis. An equity investment classified as FVTOCI is initially measured at fair value plus transaction costs. Subsequently, it is measured at fair value and, all fair value changes are recognised in Other Comprehensive Income (OCI) and accumulated in Reserve. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company transfers the same within equity.

### (iii) De-recognition of Financial Assets

The Company derecognises a financial asset (or, where applicable, a part of a financial asset) when:

- The right to receive cash flows from the asset have expired; or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under an assignment arrangement and the Company has transferred substantially all the risks and rewards of the asset. Once the asset is derecognised, the Company does not

have any continuing involvement in the same.

The Company transfers its financial assets through the partial assignment route and accordingly derecognises the transferred portion as it neither has any continuing involvement in the same nor does it retain any control. If the Company retains the right to service the financial asset for a fee, it recognises either a servicing asset or a servicing liability for that servicing contract. A service liability in respect of a service is recognised at fair value if the fee to be received is not expected to compensate the Company adequately for performing the service. If the fees to be received is expected to be more than adequate compensation for the servicing, a service asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

On de-recognition of a financial asset in its entirety, the difference between:

- the carrying amount (measured at the date of de-recognition) and
- the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

### (iv) Impairment of financial assets

Expected Credit Loss (ECL) are recognised for financial assets held under amortised cost, measured at FVOCI, and certain loan commitments.

Financial assets where no significant increase in credit risk has been observed are considered to be in 'stage 1' and for which a 12-month ECL is recognised. Financial assets that are considered to have significant increase in credit risk are considered to be in 'stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'stage 3'. Lifetime ECL is recognised for stage 2 and stage 3 financial assets.

At initial recognition, allowance (or provision in the case of loan commitments) is required for ECL towards default events that are possible

## Notes to standalone financial statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

in the next 12 months, or less, where the remaining life is less than 12 months.

In the event of a significant increase in credit risk, allowance (or provision) is required for ECL towards all possible default events over the expected life of the financial instrument ('lifetime ECL').

Financial assets (and the related impairment loss allowances) are written off in full, when there is no realistic prospect of recovery.

Treatment of the different stages of financial assets and the methodology of determination of ECL

### (a) Credit impaired (stage 3)

The Company recognises a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether:

- Contractual payments of either principal or interest are past due for more than 180 days;
- The loan is otherwise considered to be in default.

Restructured loans, where repayment terms are renegotiated as compared to the original contracted terms due to significant credit distress of the borrower, are classified as credit impaired. Such loans continue to be in stage 3 until they exhibit regular payment of renegotiated principal and interest over a minimum observation period, typically 12 months – post renegotiation, and there are no other indicators of impairment. Having satisfied the conditions of timely payment over the observation period these loans could be transferred to stage 1 or 2 and a fresh assessment of the risk of default be done for such loans.

Interest income is recognised by applying the EIR to the net amortised cost amount i.e. gross carrying amount less ECL allowance.

### (b) Significant increase in credit risk (stage 2)

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by

considering the change in the risk of default of the loan exposure. However, unless identified at an earlier stage, 90 days past due is considered as an indication of financial assets to have suffered a significant increase in credit risk.

The measurement of risk of defaults under stage 2 is computed on homogenous portfolios, generally by nature of loans, tenors, underlying collateral, geographies and borrower profiles. The default risk is assessed using PD (probability of default) derived from past behavioural trends of default across the identified homogenous portfolios. These past trends factor in the past customer behavioural trends, credit transition probabilities and macroeconomic conditions. The assessed PDs are then aligned considering future economic conditions that are determined to have a bearing on ECL.

### (c) Without significant increase in credit risk since initial recognition (stage 1)

ECL resulting from default events that are possible in the next 12 months are recognised for financial instruments in stage 1. The Company has ascertained default possibilities on past behavioural trends witnessed for each homogenous portfolio using application/behavioural score cards and other performance indicators, determined statistically.

### (d) Measurement of ECL

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL takes into account the time value of money. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of our portfolios over a period of time have been applied to determine impact of macro-economic factors.

The Company has calculated ECL using three



## Notes to standalone financial statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money using a rate which is a reasonable approximation of EIR.

- Determination of PD is covered above for each stage of ECL.
- EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.
- LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

A more detailed description of the methodology used for ECL is covered in the 'credit risk' section of note no. 32.17.

### (ii) Financial liabilities

Financial liabilities include liabilities that represent a contractual obligation to deliver cash or another financial assets to another entity, or a contract that may or will be settled in the entities own equity instruments. Few examples of financial liabilities are trade payables, borrowings etc.

#### Initial measurement

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade payables, borrowings and other payables.

#### Subsequent measurement

After initial recognition, all financial liabilities are subsequently measured at amortised cost using the EIR [Refer note no. 4.1(i)]. Any gains or losses arising on derecognition of liabilities

are recognised in the Statement of Profit and Loss.

#### Derecognition

The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

### (iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet only if there is an enforceable legal right to offset the recognised amounts with an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

### 4.4 Investment in subsidiary and associates

Investment in subsidiary is recognised at cost and is not adjusted to fair value at the end of each reporting period. Cost of investment represents amount paid for acquisition of the said investment.

The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value / amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

### 4.5 Property plant and equipment

- Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any, consistent with the criteria specified in Ind AS 16 'Property, Plant and Equipment'. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.
- Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing



**Notes to standalone financial statements for the year ended 31 March, 2022**

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

- asset beyond its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.
- (iii) An item of PPE and any significantly part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.
- (iv) Depreciation on property, plant and equipment is provided on straight-line method over the useful life of the assets estimated by the management, in the manner prescribed in Schedule II of the Companies Act, 2013. Immovable assets at the leased premises including civil works, fixtures and electrical items etc. are capitalized as leasehold improvements and are amortized over the primary period of lease subject to maximum of two years. The useful lives in the following case are different from those prescribed in Schedule II of the Companies

Asset	Useful life as per Schedule II of the Companies Act, 2013 (No. of Years)	Useful life as assessed / estimated by the Company (No. of Years)
Electrical installations	10	8

- Based on usage pattern and internal assessment, the management believes that the useful lives as given above best represent the period over which the management expects to use these assets. Hence the useful lives of these assets is different from the lives as prescribed in Schedule II of the Companies Act, 2013
- (v) Depreciation on addition or on sale / discard of an asset is calculated pro-rata

from / up to the date of such addition or sale/discard.

- (vi) The residual values, useful lives and methods of depreciation of Plant, property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**4.6 Intangible Assets and amortization thereof**

- (i) Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to assets will flow to the Company and the costs of the assets can be measured reliably. Intangible assets comprising computer software are carried at cost less amortization and accumulated impairment, if any. Computer software including improvements are amortized over the management's estimate of the useful life of such intangibles. Management estimates for useful life of intangibles is 6 years.
- (ii) An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in the Statement of Profit and Loss when the asset is derecognized.

**4.7 Employee Benefits:**
**(i) Short term employee benefits:**

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

**(ii) Defined contribution plan:**

Contributions towards Employees' Provident Fund and State Insurance Scheme are considered as defined contribution plans and the contributions are charged to the Statement of Profit and Loss for the year when the expense is actually incurred.

## Notes to standalone financial statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

### (ii) Other long-term employee benefits:

Entitlements to annual leave are recognized when they accrue to employees. Leave entitlements can be availed while in service of employment subject to restriction on the maximum number of accumulations. The Company determines the liability for such accumulated leave entitlements on the basis of actuarial valuation carried out by an independent actuary at the year end.

### (iii) Defined benefit plan:

The Company's gratuity scheme is a defined benefit plan. The plan provides for a lump sum payment to vested employees on retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation on projected unit credit method as at the balance sheet date. Re-measurement, comprising of actuarial gains and losses, are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods. Liability towards Gratuity is funded / managed by Life Insurance Corporation of India ('LIC'). The short / excess of the Gratuity liability as compared to the net fund held by LIC is accounted for as liability/ assets as at the year end

## 4.8 Taxation

Tax expense for the year comprises of Current Tax and Deferred Tax.

### a. **Current Tax**

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the tax regime inserted by the Taxation Laws (Amendment) Act, 2019 in the Income Tax

Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.

Current tax relating to items recognized outside profit or loss is recognized in correlation to the underlying transactions either in OCI or directly in other equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which the applicable tax regulations are subject to interpretation and establishes provisions where applicable.

### b. **Deferred Tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

## Notes to standalone financial statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

### 4.9 Provision, contingent liabilities and contingent assets

#### a) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation, at the balances sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

#### b) Contingent Liabilities

A disclosure for a contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation arising as a result of past event that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

#### c) Contingent Assets

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

income are recognized in the period in which the change occurs.

### 4.10 Earnings per share

Basic earnings per equity share is computed by dividing net profit/ loss attributable to the equity shareholders of the company by the weighted average number of equity shares outstanding during the financial year.

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

### 4.11 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Company has taken certain assets on Operating Lease. Operating Lease is a contract, which conveys the right to Lessee, to control the use of an identified asset for a period of time, the lease term, in exchange for consideration. The Company assesses whether a contract is, or contains, a lease on inception.

The lease term is either the non-cancellable period of the lease and any additional periods when there is an enforceable option to extend the lease and it is reasonably certain that the Company will extend the term, or a lease period in which it is reasonably certain that the Company will not exercise a right to terminate. The lease term is reassessed if there is a significant change in circumstances.

At commencement, or on the modification, of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis

## Notes to standalone financial statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

of its relative stand-alone prices.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is amortized / depreciated using straight-line method from the commencement date to the end of the lease term. If the lessor transfers ownership of the underlying asset to the Company by the end of the lease term or if the Company expects to exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as the Company's other property, plant and equipment. Right-of-use assets are reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the total lease payments due on the commencement date, discounted using either the interest rate implicit in the lease, if readily determinable, or more usually, an estimate of the Company's incremental borrowing rate on the inception date for a loan with similar terms to the lease. The incremental borrowing rate is estimated by obtaining interest rates from various external financing sources.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised

in-substance fixed lease payment. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

In accordance with Ind AS 116, the Company does not recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases i.e. leases with a lease term of 12 months or less and containing no purchase options. Payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

### 4.12 Statement of Cash flows:

For the purpose of Standalone Statement of Cash Flows, cash and cash equivalents comprise cash on hand, cash at banks, short-term deposits with an original maturity of three months or less and other short term investments, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 4.13 Impairment of Non-Financial Assets

The Company assesses, at each reporting date, using external and internal sources, whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognized in the previous period/s. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognized when the carrying value of an asset exceeds its recoverable amount.

The recoverable amount is determined:

- in the case of an individual asset, at the higher of the asset's fair value less cost of sell and value in use; and
- in the case of cash generating unit (a group of assets that generates identified, independent cash flows) at the higher of the cash generating

## Notes to standalone financial statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

unit's fair value less cost to sell and value in use.

In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that effects current market assessments of the time value of money and the risks specific to that asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An impairment loss for an asset is reversed, if and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized, the carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss being recognized for the asset in prior year/s.

### 4.14 Fair value measurement

The Company measures its qualifying financial instruments at fair value on each Balance Sheet date.

Fair value is the price that would be received against sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the accessible principal market or the most advantageous accessible market as applicable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy into Level I, Level II and Level III based on the lowest level input that is significant to the fair value measurement as a whole. For detailed information on the fair value hierarchy, refer note no. 32.15.

For assets and liabilities that are fair valued in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

## Notes to standalone financial statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

5	Cash and cash equivalents	As at 31 March, 2022	As at 31 March, 2021
	Cash on hand	19.42	14.22
	Balances with banks:		
	- in current accounts	120.05	76.33
	- in term deposits having original maturity of 3 months or less	-	10.04
	Drafts on Hand	271.81	-
	<b>Total</b>	<b>411.28</b>	<b>100.59</b>
6	Bank balances other than Cash and cash equivalents	As at 31 March, 2022	As at 31 March, 2021
	Balances with banks:		
	- in unpaid dividend account	1.39	2.43
	<b>Total</b>	<b>1.39</b>	<b>2.43</b>
7	Loans	As at 31 March, 2022	As at 31 March, 2021
	At amortised cost		
	a. Secured term loans	16,017.91	16,915.96
	b. Unsecured term loans	2,339.20	2,392.60
	c. Unsecured term loan to a subsidiary	1,378.34	1,410.06
	<b>Total - Gross</b>	<b>19,735.45</b>	<b>20,718.62</b>
	Less: Impairment loss allowance	11,781.92	11,633.55
	<b>Total - Net</b>	<b>7,953.53</b>	<b>9,085.07</b>
7.1	<u>Break-up of Secured/Unsecured loans</u>		
	a. Secured by Tangible assets	16,017.91	16,915.96
	Less: Impairment loss allowance	9,846.58	9,671.65
	<b>Secured - net</b>	<b>6,171.33</b>	<b>7,244.31</b>
	b. Unsecured	3,717.54	3,802.66
	Less: Impairment loss allowance	1,935.34	1,961.90
	<b>Unsecured - net</b>	<b>1,782.20</b>	<b>1,840.76</b>
	<b>Total (a+b)</b>	<b>7,953.53</b>	<b>9,085.07</b>
7.2	<u>Break-up of Loans In India/Outside India</u>		
	a. Loans in India		
	i. Public Sector	-	-
	ii. Others	19,735.45	20,718.62
	Less: Impairment loss allowance	11,781.92	11,633.55
		7,953.53	9,085.07
	b. Loans outside India	-	-
	<b>Total (a+b)</b>	<b>7,953.53</b>	<b>9,085.07</b>



## Notes to Consolidated Financial Statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

### 7.3 Summary of loans by stage distribution

Particulars	As at 31 March, 2022				As at 31 March, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	1,467.20	180.17	18,088.08	19,735.45	1,602.47	264.89	18,851.26	20,718.62
Less: Impairment loss allowance	0.09	-	11,781.83	11,781.92	0.95	0.23	11,632.37	11,633.55
Net carrying amount	1,467.11	180.17	6,306.25	7,953.53	1,601.52	264.66	7,218.89	9,085.07

### 7.4 Analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to loans is as follows

Particulars	As at 31 March, 2022					
	Stage 1		Stage 2		Stage 3	
	Term loans (gross)	Impairment loss allowance	Term loans (gross)	Impairment loss allowance	Term loans (gross)	Impairment loss allowance
<b>As at 31 March, 2021</b>	<b>1,602.47</b>	<b>0.95</b>	<b>264.89</b>	<b>0.23</b>	<b>18,851.26</b>	<b>11,632.37</b>
Transfers during the year						
to Stage 1	45.72	-	-	-	(45.72)	-
to Stage 2	(10.77)	-	10.77	-	-	-
to Stage 3	(83.90)	(0.10)	(22.28)	(0.11)	106.18	0.21
<b>Total transfers</b>	<b>(48.95)</b>	<b>(0.10)</b>	<b>(11.51)</b>	<b>(0.11)</b>	<b>60.46</b>	<b>0.21</b>
Impact of changes in credit risk on account of stage movements	-	-	-	-	-	74.36
Changes in opening credit exposures	(86.32)	(0.76)	(73.21)	(0.11)	(823.64)	74.89
New credit exposures during the year, net of repayments	-	-	-	-	-	-
Amounts written off during the year	-	-	-	-	-	-
<b>As at 31 March, 2022</b>	<b>1,467.20</b>	<b>0.09</b>	<b>180.17</b>	<b>-</b>	<b>18,088.08</b>	<b>11,781.83</b>
					<b>19,735.45</b>	<b>11,781.92</b>

## Notes to Consolidated Financial Statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

### Analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to loans is as follows

Particulars	As at 31 March, 2021						
	Stage 1		Stage 2		Stage 3		Total
	Term loans (gross)	Impairment loss allowance	Term loans (gross)	Impairment loss allowance	Term loans (gross)	Impairment loss allowance	
<b>As at 31 March, 2020</b>	<b>2,715.28</b>	<b>52.63</b>	<b>500.31</b>	<b>13.65</b>	<b>17,979.76</b>	<b>13,668.33</b>	<b>21,195.34</b>
Transfers during the year							
to Stage 1	-	-	-	-	-	-	-
to Stage 2	(371.25)	(3.13)	371.25	3.13	-	-	-
to Stage 3	(1,141.17)	(26.29)	(500.31)	(13.65)	1,641.48	39.94	-
<b>Total transfers</b>	<b>(1,512.42)</b>	<b>(29.42)</b>	<b>(129.06)</b>	<b>(10.52)</b>	<b>1,641.48</b>	<b>39.94</b>	<b>-</b>
Impact of changes in credit risk on account of stage movements	-	-	-	-	-	371.34	371.34
Changes in opening credit exposures	399.61	(22.26)	(106.36)	(2.90)	(769.98)	(2,447.24)	(476.72)
New credit exposures during the year, net of repayments	-	-	-	-	-	-	-
Amounts written off during the year	-	-	-	-	-	-	-
<b>As at 31 March, 2021</b>	<b>1,602.47</b>	<b>0.95</b>	<b>264.89</b>	<b>0.23</b>	<b>18,851.26</b>	<b>11,632.37</b>	<b>20,718.62</b>
							<b>11,633.55</b>

**Notes to standalone financial statements for the year ended 31 March, 2022**

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

8	Investments	As at 31 March, 2022	As at 31 March, 2021
i.	<b>Investment in Subsidiaries</b>		
	(At Cost)		
	- Amulet Technologies Limited	770.37	770.37
	<b>Total - i</b>	<b>770.37</b>	<b>770.37</b>
ii.	<b>Investment in Equity Instruments</b>		
	(At amortised cost)		
	- Pantec Devices Private Limited	1.16	1.16
	- Pantec Consultants Private Limited	1.01	1.01
	- Intec Worldwide Private Limited	0.86	0.86
	- Spherical Collection Agency (P) Ltd.	1.11	1.11
	- Intec Share & Stock Brokers Limited	2.26	2.26
	- Spectacle Advisory Solutions Pvt. Ltd.	0.44	0.44
	<b>Total - ii</b>	<b>6.84</b>	<b>6.84</b>
	<b>Total Investments - i + ii</b>	<b>777.21</b>	<b>777.21</b>
	<u>Out of above</u>		
	In India	777.21	777.21
	Outside India	-	-

**8.1 Information about Subsidiary is given below:**

Name of the Company and Country of Incorporation	Principal Activities	Proportion (%) of Shareholding	
		As at 31 March, 2022	As at 31 March, 2021
Amulet Technologies Limited, India	Consultancy, Advisory and related service in Information Technology	99.998%	99.998%

9	Other financial assets	As at 31 March, 2022	As at 31 March, 2021
	Term deposits having original maturity of more than 12 months	-	10.00
	Security deposits	11.07	11.68
	Interest accrued but not due on term deposits	-	1.17
	Interest accrued and due on loans	1,375.21	1,559.85
	Interest accrued but not due on loans	0.75	10.06
	Advances to employees	2.69	1.23
	Advances to parties	-	212.88
	Less: Impairment on advances to parties	-	(212.00)
	Balance with government authorities	135.27	115.01
	Other advances	0.92	-
	<b>Total</b>	<b>1,525.91</b>	<b>1,709.88</b>

10	Current tax assets (net)	As at 31 March, 2022	As at 31 March, 2021
	Advance Income Taxes (net of provision of tax)	3.06	26.71
	<b>Total</b>	<b>3.06</b>	<b>26.71</b>

## Notes to standalone financial statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

11	Deferred tax assets (net)	As at 31 March, 2022	As at 31 March, 2021
i.	<b>Reconciliation of tax expenses and profit/loss before tax multiplied by corporate tax rate</b>		
	Profit before tax	374.02	2,689.76
	At corporate tax rate of 25.168%	-	-
	Tax on timing differences	14.92	755.85
	Earlier year tax	-	30.32
	<b>Tax expense</b>	<b>14.92</b>	<b>786.17</b>
ii.	<b>Deferred tax assets recorded in Balance Sheet</b>	<b>As at 31 March, 2022</b>	<b>As at 31 March, 2021</b>
	<u>Deferred tax assets:</u>		
	- Impairment on financial instruments	2,965.27	2,927.93
	- Lease liabilities	27.96	26.76
	- Depreciation and amortisation	9.35	8.85
	- Other temporary differences	-	53.35
	<b>Gross deferred tax assets</b>	<b>3,002.58</b>	<b>3,016.89</b>
	<u>Deferred tax liabilities:</u>		
	- Right-of-use assets	23.98	23.57
	- Financial instruments measured at EIR	190.16	189.49
	- Provision for employee benefits	1.21	4.06
	<b>Gross deferred tax liabilities</b>	<b>215.35</b>	<b>217.12</b>
	<b>Deferred tax assets (net)</b>	<b>2,787.23</b>	<b>2,799.77</b>
iii.	<b>Changes in deferred tax assets recorded in profit or loss</b>		
		<b>As at 31 March, 2022</b>	<b>As at 31 March, 2021</b>
	Deferred tax relates to the following:		
	- Impairment on financial instruments	(37.34)	643.06
	- Financial instruments measured at EIR	0.67	111.86
	- Depreciation and amortisation	(0.50)	0.21
	- Right-of-use assets	0.41	2.83
	- Lease liabilities	(1.20)	(2.81)
	- Provision for employee benefits	(0.47)	(1.07)
	- Other temporary differences	53.35	1.77
		<b>14.92</b>	<b>755.85</b>
iv.	<b>Changes in deferred tax assets recorded in other comprehensive income</b>		
		<b>As at 31 March, 2022</b>	<b>As at 31 March, 2021</b>
	<u>Deferred tax relates to the following:</u>		
	- Re-measurement gains on defined benefit plan (net of tax)	2.38	(0.95)
		<b>2.38</b>	<b>(0.95)</b>
	<b>Total</b>	<b>12.54</b>	<b>756.80</b>

**Notes to standalone financial statements for the year ended 31 March, 2022**

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

**12 Property, Plant and Equipment and Capital work-in-progress (As at 31 March, 2022)**

Particulars	Gross block			Accumulated depreciation					Net Block	
	As at 01 April, 2021	Additions	Deductions / adjustments	As at 31 March, 2022	As at 01 April, 2021	Depreciation	Deductions / adjustments	As at 31 March, 2022	As at 31 March, 2022	As at 31 March, 2021
<b>a. Tangible assets</b>										
Vehicles	46.94	-	-	46.94	27.29	9.10	-	36.39	10.55	19.65
Office equipment	9.66	1.33	1.34	9.65	6.74	1.82	1.26	7.30	2.35	2.92
Data processing equipments	40.53	5.58	13.53	32.58	20.92	8.00	12.86	16.06	16.52	19.61
Furniture and fixtures	4.75	-	2.30	2.45	2.13	0.52	2.19	0.46	1.99	2.62
Leasehold improvements	1.09	-	-	1.09	0.98	-	-	0.98	0.11	0.11
Electric installations	1.45	-	0.68	0.77	0.67	0.12	0.62	0.17	0.60	0.78
Air conditioners	3.79	0.86	-	4.65	2.00	0.54	-	2.54	2.11	1.79
Land	4.82	-	-	4.82	-	-	-	-	4.82	4.82
<b>Total (a)</b>	<b>113.03</b>	<b>7.77</b>	<b>17.85</b>	<b>102.95</b>	<b>60.73</b>	<b>20.10</b>	<b>16.93</b>	<b>63.90</b>	<b>39.05</b>	<b>52.30</b>
<b>b. Capital Work in Progress (note 12.2)</b>	<b>0.35</b>	<b>-</b>	<b>-</b>	<b>0.35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.35</b>	<b>0.35</b>
<b>Grand Total - Current's Year</b>	<b>113.38</b>	<b>7.77</b>	<b>17.85</b>	<b>103.30</b>	<b>60.73</b>	<b>20.10</b>	<b>16.93</b>	<b>63.90</b>	<b>39.40</b>	<b>52.65</b>

**Property, Plant and Equipment and Capital work-in-progress (As at 31 March, 2021)**

Particulars	Gross block			Accumulated depreciation					Net Block	
	As at 01 April, 2020	Additions	Deductions / adjustments	As at 31 March, 2021	As at 01 April, 2020	Depreciation	Deductions / adjustments	As at 31 March, 2021	As at 31 March, 2021	As at 31 March, 2020
<b>a. Tangible assets</b>										
Vehicles	46.94	-	-	46.94	18.20	9.09	-	27.29	19.65	28.74
Office equipments	9.14	0.52	-	9.66	5.75	0.99	-	6.74	2.92	3.39
Data processing equipments	34.25	10.74	4.46	40.53	15.18	9.88	4.14	20.92	19.61	19.07
Furniture and fixtures	4.44	1.30	0.99	4.75	2.29	0.78	0.94	2.13	2.62	2.15
Leasehold improvements	1.09	-	-	1.09	0.98	-	-	0.98	0.11	0.11
Electric installations	1.12	0.49	0.16	1.45	0.62	0.19	0.14	0.67	0.78	0.50
Air conditioners	3.79	-	-	3.79	1.34	0.66	-	2.00	1.79	2.45
Land	4.82	-	-	4.82	-	-	-	-	4.82	4.82
<b>Total (a)</b>	<b>105.59</b>	<b>13.05</b>	<b>5.61</b>	<b>113.03</b>	<b>44.36</b>	<b>21.60</b>	<b>5.22</b>	<b>60.73</b>	<b>52.30</b>	<b>61.22</b>
<b>b. Capital Work in Progress (note 12.2)</b>	<b>5.19</b>	<b>0.97</b>	<b>5.81</b>	<b>0.35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.35</b>	<b>5.19</b>
<b>Grand Total - Previous Year</b>	<b>110.78</b>	<b>14.02</b>	<b>11.42</b>	<b>113.38</b>	<b>44.36</b>	<b>21.60</b>	<b>5.22</b>	<b>60.73</b>	<b>52.65</b>	<b>66.41</b>

Note 12.1 : Refer para 4.5 of Significant Accounting Policies for depreciation on property, plant and equipment.

Note 12.2 : Refer note 32.21 for ageing of the Capital Work in Progress.

## Notes to standalone financial statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

### 13. Intangible Assets (As at 31 March, 2022)

Particulars	Gross block				Accumulated amortisation				Net Block	
	As at 01 April, 2021	Additions	Deductions / adjustments	As at 31 March, 2022	As at 01 April, 2021	Amortisation	Deductions / adjustments	As at 31 March, 2022	As at 31 March, 2022	As at 31 March, 2021
Computer software	71.09	0.77	-	71.86	44.40	6.11	-	50.51	21.35	26.69
<b>Total</b>	<b>71.09</b>	<b>0.77</b>	<b>-</b>	<b>71.86</b>	<b>44.40</b>	<b>6.11</b>	<b>-</b>	<b>50.51</b>	<b>21.35</b>	<b>26.69</b>

### Intangible Assets (As at 31 March, 2021)

Particulars	Gross block				Accumulated amortisation				Net Block	
	As at 01 April, 2020	Additions	Deductions / adjustments	As at 31 March, 2021	As at 01 April, 2020	Amortisation	Deductions / adjustments	As at 31 March, 2021	As at 31 March, 2021	As at 31 March, 2020
Computer software	64.96	6.13	-	71.09	33.14	11.26	-	44.40	26.69	31.82
<b>Total</b>	<b>64.96</b>	<b>6.13</b>	<b>-</b>	<b>71.09</b>	<b>33.14</b>	<b>11.26</b>	<b>-</b>	<b>44.40</b>	<b>26.69</b>	<b>31.82</b>

13.1 : Refer para 4.6 of Significant Accounting Policies for amortisation on intangible assets.

### 14. Right-of-use Assets (As at 31 March, 2022)

Particulars	Gross block				Accumulated amortisation				Net Block	
	As at 01 April, 2021	Additions	Deductions / adjustments	As at 31 March, 2022	As at 01 April, 2021	Amortisation	Deductions / adjustments	As at 31 March, 2022	As at 31 March, 2022	As at 31 March, 2021
Premises	134.05	19.16	-	153.21	40.39	17.53	-	57.92	95.29	93.66
<b>Total</b>	<b>134.05</b>	<b>19.16</b>	<b>-</b>	<b>153.21</b>	<b>40.39</b>	<b>17.53</b>	<b>-</b>	<b>57.92</b>	<b>95.29</b>	<b>93.66</b>

### Right-of-use Assets (As at 31 March, 2021)

Particulars	Gross block				Accumulated amortisation				Net Block	
	As at 01 April, 2020	Additions	Deductions / adjustments	As at 31 March, 2021	As at 01 April, 2020	Amortisation	Deductions / adjustments	As at 31 March, 2021	As at 31 March, 2021	As at 31 March, 2020
Premises	102.93	45.10	13.98	134.05	23.18	24.37	7.16	40.39	93.66	79.75
<b>Total</b>	<b>102.93</b>	<b>45.10</b>	<b>13.98</b>	<b>134.05</b>	<b>23.18</b>	<b>24.37</b>	<b>7.16</b>	<b>40.39</b>	<b>93.66</b>	<b>79.75</b>

14.1 : Refer para 4.5 of Significant Accounting Policies for depreciation of Right-of-use-Asset

15	<b>Other non-financial assets</b>	<b>Note</b>	<b>As at 31 March, 2022</b>	<b>As at 31 March, 2021</b>
	Prepaid expenses		9.68	6.77
	Plan Assets of employee benefits (Net of provision) - Gratuity	32.3	7.65	19.10
	<b>Total</b>		<b>17.33</b>	<b>25.87</b>

16	<b>Non-current assets held for sale</b>	<b>As at 31 March, 2022</b>	<b>As at 31 March, 2021</b>
	Assets held for sale	122.93	122.93
	<b>Total</b>	<b>122.93</b>	<b>122.93</b>



**Notes to standalone financial statements for the year ended 31 March, 2022**

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

- 16.1** Company has acquired certain properties on settlement of loan dues from its borrowers which has been classified as held for sale and is being measured at the lower of carrying value or fair value less cost to sell. Fair market value of these properties is estimated at Rs. 292.96 lakhs based on valuation conducted by a registered valuer.

17	Borrowings (At amortised cost)	Note	As at 31 March, 2022	As at 31 March, 2021
	<b>Secured</b>			
	i. Term Loans			
	- from Banks	17.1 & 17.3	908.71	1,424.09
	ii. Working Capital Loans from Banks	17.2 & 17.3	4,801.61	5,731.06
	<b>Total</b>		<b>5,710.32</b>	<b>7,155.15</b>
	Borrowings in India		5,710.32	7,155.15
	Borrowings outside India		-	-
	<b>Total</b>		<b>5,710.32</b>	<b>7,155.15</b>

**17.1 Terms of security and repayment are given below:****As at 31 March, 2022**

Particulars	Maturity pattern			
	0-1 years	1-2 years	2-3 years	Total
<b>Term Loans</b>				
(i) <b>Secured by hypothecation of loan receivables</b> (also refer note- 17.1.1)				
- for loans taken from banks (Interest rates range between 10.50%- 10.65% per annum)	907.73	-	-	907.73
(ii) <b>Secured by hypothecation of car</b>				
- for loans taken from financial institutions# (Remaining monthly installments payable-5) (Interest rate - 8.25% per annum)	0.98	-	-	0.98
<b>Total</b>	<b>908.71</b>	-	-	<b>908.71</b>

# repayable on equitable monthly installments

**As at 31 March, 2021**

Particulars	Maturity pattern			
	0-1 years	1-2 years	2-3 years	Total
<b>Term Loans</b>				
(i) <b>Secured by hypothecation of loan receivables</b> (also refer note- 17.1.1)				
- for loans taken from banks (Interest rates range between 11.65%- 15.50% per annum)	1,420.67	-	-	1,420.67
(ii) <b>Secured by hypothecation of car</b>				
- for loans taken from financial institutions# (Remaining monthly installments payable-17) (Interest rate - 8.25% per annum)	2.24	1.18	-	3.42
<b>Total</b>	<b>1,422.91</b>	<b>1.18</b>	-	<b>1,424.09</b>

#repayable on equitable monthly installments

## Notes to standalone financial statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

**17.1.1 Loans also guaranteed by Managing Director** - loans of Rs. 907.73 lakhs (31.03.2021: Rs. 1,396.35 lakhs) also secured by personal guarantee of Managing Director.

### 17.2 Terms of Security and Interest Rates for Working Capital Loans:

- (i) Working Capital loans from banks are secured by :
- (a) Primary Security- first pari passu charge on present and future receivables of the Holding Company.
  - (b) Collateral Security - Immovable properties belonging to promoter & others.
  - (c) Personal guarantees of Managing Director and relative of Managing Director.
  - (d) Corporate guarantee of Bubble Infosolution Private Limited (company in which Managing Director of the Company is a director) and Amulet Technologies Limited, Subsidiary of the Company)
- (ii) Interest rates on above loans range between 11.65% - 14.85% per annum (31.03.2021: 11.65% - 15.50%).

### 17.3 Details of Default in repayment of Borrowings as at 31 March, 2022 is given below:

#### (i) Term loans:

(Amount in Rs.)

Name of Bank	NPA Date	Total Outstanding as at 31 March, 2022	Amount of Interest accrued and debited by the banks	Amount of Interest accrued but not debited by the banks	Total Default (Installments & interest)
Punjab National Bank (Ex- United Bank of India)	31.03.2020	5,59,15,096	1,32,82,691	49,95,128	7,41,92,915
Bank of India	30.09.2020	3,48,57,989	32,72,782	80,88,061	4,62,18,832
<b>Total</b>		<b>9,07,73,085</b>	<b>1,65,55,473</b>	<b>1,30,83,189</b>	<b>12,04,11,747</b>

#### (ii) Cash Credit Loans from Banks:

(Amount in Rs.)

Name of Bank	NPA Date	Total Outstanding as at 31 March, 2022	Amount of Interest accrued and debited by the banks	Amount of Interest accrued but not debited by the banks	Total Default (Installments & interest)
Punjab National Bank	16.06.2019	11,40,24,961	6,90,53,012	-	18,30,77,973
Punjab National Bank (Ex- Oriental Bank of Commerce)	02.08.2019	4,85,05,740	1,36,67,219	-	6,21,72,959
Indian Overseas Bank	30.11.2019	8,93,39,692	-	3,20,80,949	12,14,20,641
Central Bank of India	30.06.2019	6,27,22,072	-	2,78,33,382	9,05,55,454
Bank of India	30.09.2020	15,34,85,376	2,08,88,399	3,89,17,931	21,32,91,706
<b>Total</b>		<b>46,80,77,841</b>	<b>10,36,08,630</b>	<b>9,88,32,262</b>	<b>67,05,18,733</b>

17.4 The Company has availed term loans and working capital facilities from various banks, however, slow down of its lending business and increased level of non-performing / impaired loan portfolio, has impacted its cash flow / liquidity, and the Company is un-able to service term loans and working capital facilities including interest thereon to certain banks as detailed in para 17.3 above, and has approached these banks for its restructuring / settlement which inter-alia includes waiver / reduction of interest being considered by the respective banks. As the Company is reasonably hopeful of waiver / reduction of the interest under these restructuring / settlement packages, interest of Rs. 2,320.80 lakhs though accrued on these loans, has not been provided in these financial statements.

**Notes to standalone financial statements for the year ended 31 March, 2022**

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

- 17.5 During the year, the Company's proposal for settlement of its loans have been accepted / approved by the following banks, under One Time Settlement (OTS) scheme. As the Company has substantially paid the OTS amount and has also complied with the terms and conditions thereof, the gain of Rs. 662.72 lakhs on extinguishment of loan liability under OTS has been treated as an exceptional item in these financial statements as detailed below.

(Amount in Rs.)

Name of Bank and Nature of loan facility	Outstanding (including interest) as per Company's accounts	Amount paid under One Time Settlement during the year	Amount pending for payment under One Time Settlement as at 31 March, 2022	Total amount paid / payable under One Time Settlement	Gain on extinguishment of borrowing under One Time Settlement
Dhanlaxmi Bank - Term Loan	4,88,61,807	1,70,00,000	-	1,70,00,000	3,18,61,807
Bank of Maharashtra - Working Capital/Cash Credit Loan	7,44,09,832	2,79,16,744	1,20,83,256	4,00,00,000	3,44,09,832
<b>Total</b>	<b>12,32,71,639</b>	<b>4,49,16,744</b>	<b>1,20,83,256</b>	<b>5,70,00,000</b>	<b>6,62,71,639</b>

18 Other financial liabilities	As at 31 March, 2022	As at 31 March, 2021
Interest accrued but not due	1.20	0.78
Unclaimed dividends	1.39	2.43
Payable to customers (borrowers)	189.53	256.19
Payable to employees	46.74	2.93
Accrued expenses and payables	83.72	52.48
<b>Total</b>	<b>322.58</b>	<b>314.81</b>

- 18.1 Disclosure for dues for micro enterprises and small enterprises refer para 32.2.

19 Provisions	As at 31 March, 2022	As at 31 March, 2021
For employee benefits - leave encashment (refer note 32.3)	2.84	2.97
<b>Total</b>	<b>2.84</b>	<b>2.97</b>

20 Other non-financial liabilities	As at 31 March, 2022	As at 31 March, 2021
Statutory dues payable	30.34	17.50
<b>Total</b>	<b>30.34</b>	<b>17.50</b>

## Notes to standalone financial statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

### 21 Equity Share Capital

Particulars	As at 31 March, 2022	As at 31 March, 2021
<b>Authorised share capital</b>		
<b>Equity Shares:</b>		
3,50,00,000 equity shares of Rs. 10 each	3,500.00	3,500.00
<b>Preference Shares:</b>		
15,00,000 preference shares of Rs. 100 each	1,500.00	1,500.00
	<b>5000.00</b>	<b>5000.00</b>
<b><u>Issued, subscribed and fully paid-up</u></b>		
<b>Equity Shares:</b>		
1,83,66,250 equity shares of Rs. 10 each fully paid up	1,836.63	1,836.63
<b>Total</b>	<b>1,836.63</b>	<b>1,836.63</b>

#### Notes:

#### 21.1 Reconciliation of number of shares outstanding at the beginning and at the end of the year

Particulars	As at		As at	
	31 March, 2022		31 March, 2021	
	No. of Shares	Amount	No. of Shares	Amount
<b>Equity shares</b>				
Balance at the beginning of the year	18,366,250	1,836.63	18,366,250	1,836.63
<b>Balance as at end of the year</b>	<b>18,366,250</b>	<b>1,836.63</b>	<b>18,366,250</b>	<b>1,836.63</b>

#### 21.2 Rights, preferences and restrictions attached to each class of shares

The Company has only one class of Equity Share having par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. All Equity Shareholders are entitled to receive dividend as declared from time to time. The voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion of their shareholding.

#### 21.3 Detail of shareholders holding more than 5% of the aggregate shares in the Company:

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	No. of Shares	% age of share holding	No. of Shares	% age of share holding
<b>Equity Shares</b>				
Pantec Devices Private Limited	44,97,264	24.49%	44,97,264	24.49%
India Business Excellence Fund-IIA	36,46,142	19.85%	36,46,142	19.85%
India Business Excellence Fund-II	22,84,356	12.44%	22,84,356	12.44%
Pantec Consultant Private Limited	14,53,771	7.92%	14,53,771	7.92%
Sanjeev Goel (Including shares held in IBEF - II Escrow account)	12,44,464	6.77%	12,44,464	6.77%

**Notes to standalone financial statements for the year ended 31 March, 2022**

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

**21.4 Details of Shareholding of Promoter/s:**

S.No.	Shares held by promoter/s at the end of the year			% age change during the year
	Promoter name	No. of Shares	% age of total shares	
1.	Pantec Devices Private Limited	44,97,264	24.49%	No change
2.	India Business Excellence Fund-IIA	36,46,142	19.85%	No change
3.	India Business Excellence Fund-II	22,84,356	12.44%	No change
4.	Pantec Consultant Private Limited	14,53,771	7.92%	No change
5.	Intec Worldwide Private Limited	5,19,267	2.82%	No change
6.	Sanjeev Goel (Including held in IBEF - II Escrow account)	12,44,464	6.77%	No change
7.	Pranav Goel	32,700	0.18%	(+) 100%
8.	Dhruv Goel	32,700	0.18%	(+) 100%

**22 Other Equity**

Particulars	As at 31 March, 2022	As at 31 March, 2021
<b>Securities premium</b>		
As per last account	8,843.84	8,843.84
<b>Statutory Reserve as per Section 45-IC of RBI Act.</b>		
As per last account	1,796.68	1,415.96
Addition during the year	71.82	380.72
Closing Balance	1,868.50	1,796.68
<b>Impairment Reserve</b>		
As per last account	2,073.47	-
Addition during the year (Refer Note 32.18)	252.97	2,073.47
Closing Balance	2,326.44	2,073.47
<b>Retained earnings</b>		
As per last account	(7,329.04)	(6,778.44)
Profit for the year	359.10	1,903.59
Appropriation to Statutory Reserve as per Section 45-IC of RBI Act	(71.82)	(380.72)
Appropriation to Impairment Reserve	(252.97)	(2,073.47)
Closing Balance	(7,294.72)	(7,329.04)
<b>Other Comprehensive (Loss)/Income - Re-measurement gains/ (losses) on defined benefit plan</b>		
As per last account	5.13	2.41
Addition during the year	(7.09)	2.72
Closing Balance	(1.96)	5.13
<b>Total</b>	<b>5,742.10</b>	<b>5,390.08</b>

## Notes to standalone financial statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

### 22.1 Nature and purpose of other equity:

#### i Security Premium

Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013

#### ii Statutory Reserve as per Section 45-IC(1) of RBI Act, 1934

Reserve fund is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve.

#### iii Impairment Reserve

Reserve Bank of India (RBI) issued Notification No. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March, 2020 in respect of 'Implementation of Indian Accounting Standards' by NBFCs. In terms of the said circular, in case where the impairment allowance under Ind AS 109 is lower than the provisioning required under Income Recognition, Asset Classification and Provisioning (IRACP) Norms (including standard asset provisioning) issued by RBI, the Company is required to appropriate the difference from their net profit after tax to "Impairment Reserve". No withdrawals are permitted from this reserve without prior permission from the Department of Supervision, RBI. Refer Note. 32.18 in respect of the disclosure in respect of comparison between impairment allowance and provisioning under IRACP Norms.

#### iv Retained Earnings

The profit/loss earned till date, less any transfers/appropriations to any other reserve, dividends or other distribution paid to shareholders.

#### v Other Comprehensive Income / (Loss)

The other comprehensive income/(loss) till date, which is available for set off or adjustable only against such income/loss in future.

23	Interest income	For the year ended 31 March, 2022	For the year ended 31 March, 2021
	Interest income on:		
	- on loans	287.71	580.77
	- deposits with banks	0.49	4.06
	- financial instruments	131.17	117.15
	<b>Total</b>	<b>419.37</b>	<b>701.98</b>

24	Fees and commission income	For the year ended 31 March, 2022	For the year ended 31 March, 2021
	Income on preclosure of loans	0.35	1.18
	Other service fees	0.31	4.55
	<b>Total</b>	<b>0.66</b>	<b>5.73</b>

25	Recoveries of financial assets written off	For the year ended 31 March, 2022	For the year ended 31 March, 2021
	Recoveries of financial assets written off	668.45	4.12
	<b>Total</b>	<b>668.45</b>	<b>4.12</b>



**Notes to standalone financial statements for the year ended 31 March, 2022**

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

<b>26</b>	<b>Other income</b>		<b>For the year ended 31 March, 2022</b>	<b>For the year ended 31 March, 2021</b>
	Liabilities no longer required written back		0.70	29.53
	Gain on lease termination/concession		-	8.46
	Interest on income tax refund		-	42.30
	Profit on disposal of property, plant & equipment (net)		-	0.04
	Miscellaneous Income		5.49	11.91
	<b>Total</b>		<b>6.19</b>	<b>92.24</b>
<b>27</b>	<b>Finance costs</b>	<b>Note</b>	<b>For the year ended 31 March, 2022</b>	<b>For the year ended 31 March, 2021</b>
	On financial liabilities measured at amortised cost:			
	- on borrowings - term loan from banks/financial institutions	17.4	0.23	0.07
	- on borrowings - CC from banks	17.4	3.45	0.70
	- on borrowings - car loan from bank		0.21	0.38
	- on lease liabilities	32.6	8.22	13.44
	Other borrowing costs		0.75	5.18
	<b>Total</b>		<b>12.86</b>	<b>19.77</b>
<b>28</b>	<b>Impairment on financial instruments</b>		<b>For the year ended 31 March, 2022</b>	<b>For the year ended 31 March, 2021</b>
	(Measured at amortised cost)			
	Bad debts written off		49.24	85.76
	Impairment on loans		148.37	(2,101.06)
	<b>Total</b>		<b>197.61</b>	<b>(2,015.30)</b>
<b>29</b>	<b>Employee benefits expenses</b>		<b>For the year ended 31 March, 2022</b>	<b>For the year ended 31 March, 2021</b>
	Salaries and wages		471.24	374.57
	Contribution to provident and other funds		12.00	14.46
	Staff welfare expenses		13.36	22.40
	<b>Total</b>		<b>496.60</b>	<b>411.43</b>
<b>30</b>	<b>Depreciation and amortization</b>	<b>Note</b>	<b>For the year ended 31 March, 2022</b>	<b>For the year ended 31 March, 2021</b>
	Depreciation on tangible assets	12	20.10	21.60
	Amortization of intangible assets	13	6.11	11.26
	Amortization of right-of-use assets	14	17.53	24.37
	<b>Total</b>		<b>43.74</b>	<b>57.23</b>

## Notes to standalone financial statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

31	Other expenses	For the year ended 31 March, 2022	For the year ended 31 March, 2021
	Rent	12.85	1.43
	Insurance	5.53	8.00
	Legal & professional	404.26	319.84
	Payment to Auditors:		
	- Statutory Audit	5.50	5.50
	- Tax Audit	1.00	1.00
	- Limited Reviews	3.00	3.00
	- Other services	0.50	0.55
	- Reimbursement of expenses	0.61	0.76
	Rates & taxes	0.11	4.54
	Electricity & water	12.68	12.66
	Directors' sitting fees	2.62	2.94
	Repairs & maintenance	20.91	20.13
	Communication and internet	11.97	12.87
	Travelling & conveyance	41.84	58.17
	Business promotion	35.32	18.53
	Loss on disposal of property, plant & equipment (net)	0.67	-
	Other expenditure	73.19	35.79
	<b>Total</b>	<b>632.56</b>	<b>505.71</b>

## 32 : OTHER NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

### 32.1 Contingent Liabilities and Commitments:

Sr. No.	Particulars	As at 31 March, 2022	As at 31 March, 2021
<b>A.</b>	<b>Contingent Liabilities</b>		
i.	Claims against the Company not acknowledged as debts.	Few customers / borrowers of the Company have filed legal cases for various claims against the Company. The Company has reviewed these pending litigations and proceedings and does not expect any material out flow / reimbursement in respect of the same.	
<b>B.</b>	<b>Commitments</b>		
i.	Loan approved but pending disbursements.	Nil	Nil

**Notes to standalone financial statements for the year ended 31 March, 2022**

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

**32.2 Disclosure required under Section 22 of Micro, Small and Medium Enterprise Development Act, 2006:**

	As at 31 March, 2022	As at 31 March, 2021
i. Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act.		
- Principal	3.06	2.73
- Interest	-	-
ii. Amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-
iv. The amount of interest accrued and remaining unpaid.	-	-
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act, 2006	-	-
<b>Total</b>	<b>3.06</b>	<b>2.73</b>

The above information regarding dues to Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information collected with the Company.

**32.3 Employee Benefits (Ind AS-19)****(a) Defined Benefit plans:**

Gratuity : Payable on separation as per the Payment of Gratuity Act, 1972, as amended @ 15 days pay, for each completed year of service to eligible employees who render continuous service of 5 years or more. The Company's liability towards Gratuity is funded / managed by Life Insurance Corporation of India (LIC).

**(b) Other Long-Term Benefit:**

Compensated Absences : Employees of the Company are entitled to accumulate their earned/privilege leave up to a maximum of 30 days which can be availed / utilized in coming year/s, while in service. During the year the amount of Rs. 0.13 lakhs (Previous Year: Rs. 1.51 lakhs) has been credited in the Statement of Profit and Loss towards reversal of the excess provision based on actuarial valuation.

**(c) Defined Contribution plans:**

Company's employees are covered by Provident Fund and Employees State Insurance Scheme, to which the Company makes a defined contribution measured as a fixed percentage of salary. During the year, amount of Rs. 11.57 lakhs (Previous Year: Rs. 13.91 lakhs) has been charged to the Statement of Profit and Loss towards employer's contribution to these schemes/funds as under:

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Employer's contribution towards Provident Fund (PF)	10.49	12.78
Employer's contribution towards Employees State Insurance (ESI)	1.08	1.13

## Notes to standalone financial statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

### (d) Other disclosures of Defined Benefit plan (Gratuity) are as under:

#### i) Reconciliation of Defined Benefit Obligations:

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Present Value of Defined Benefit Obligation at the beginning of year	19.75	23.68
Interest cost	1.25	1.50
Current Service Cost	3.34	4.05
Benefit Paid	(6.36)	(5.50)
Actuarial (Gain)/Loss arising from Change in Financial Assumptions	(1.02)	-
Actuarial (Gain) arising from Change in Demographic Assumptions	(2.19)	-
Actuarial (Gain)/Loss arising from Changes in Experience Adjustments	12.49	(3.98)
<b>Present value of the Defined Benefit Obligation at the end of year</b>	<b>27.26</b>	<b>19.75</b>

#### ii) Net Defined Benefit recognized in the Statement of Profit and Loss.

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Current Service Cost	3.34	4.05
Interest cost (net of return)	(1.36)	(1.32)
<b>Net Defined Benefit recognized in Statement of Profit and Loss</b>	<b>1.98</b>	<b>2.73</b>

#### iii) Recognized in Other Comprehensive Income/(loss)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Actuarial Gain/(Loss) on arising from Change in Financial Assumption	1.02	-
Actuarial Gain/(Loss) on arising from Change in Demographic Assumption	2.19	-
Actuarial Gain/(Loss) on arising from Changes in Experience Adjustments	(12.49)	3.98
Actuarial Gain/(Loss) on Plan Assets	(0.19)	(0.31)
<b>Net actuarial (Loss)/Gain</b>	<b>(9.47)</b>	<b>3.67</b>

#### iv) Reconciliation of the opening and closing balances of fair value of Plan Assets

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Fair value of Plan Assets at the beginning of year	38.85	41.84
Expected return on plan Assets	2.61	2.82
Employer's Contribution	-	-
Return on Plan Assets excluding interest income	(0.19)	(0.31)
Benefits paid	(6.36)	(5.50)
<b>Fair value of Plan Assets at the end of year</b>	<b>34.91</b>	<b>38.85</b>

#### v) Net Defined Benefit Assets / (Liability) recognized in the Balance Sheet

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Present value of the <b>Defined Benefit Obligation</b> at the end of year	(27.26)	(19.75)
Fair Value of plan Assets at the end of year	34.91	(38.85)
<b>Net Defined Benefit Assets recognized in Statement of Profit and Loss</b>	<b>7.65</b>	<b>19.10</b>

**Notes to standalone financial statements for the year ended 31 March, 2022**

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

**vi) Broad categories of Plan Assets as percentage of total assets**

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Insurer Managed Funds	100%	100%

**vii). Sensitivity Analysis\*****a) Impact of the change in the discount rate**

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Present value of the <b>Defined Benefit Obligation</b> at the end of year	27.26	19.75
a) Impact due to increase of 0.50% (Previous year: 0.50%)	(1.20)	(0.75)
b) Impact due to decrease of 0.50% (Previous Year: 0.50%)	1.29	0.80

**b) Impact of the change in the salary increase**

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Present value of the <b>Defined Benefit Obligation</b> at the end of year	27.26	19.75
a) Impact due to increase of 0.50% (Previous year: 0.50%)	0.99	0.72
b) Impact due to decrease of 0.50% (Previous year: 0.50%)	(0.95)	(0.76)

\* Sensitivities due to mortality &amp; withdrawals are not material &amp; hence impact of change not calculated.

\* Sensitivities as to rate of inflation, rate of increase of pension in payment, rate of increase of pensions before retirement &amp; life expectancy are not applicable being a lump sum benefit on retirement.

**viii. Maturity Profile.**

Year	Year ended 31 March, 2022	Year ended 31 March, 2021
0 to 1 year	1.7%	3.9%
1 to 2 Year	2.1%	4.0%
2 to 3 Year	1.9%	4.1%
3 to 4 Year	2.2%	4.2%
4 to 5 Year	5.7%	4.3%
5 Year onwards	25.4%	32.1%

**ix. Expected contribution for the next Annual reporting period**

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Expected contribution for the next Annual reporting period	4.90	3.34

**x. Actuarial Assumptions:**

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

Particulars	Gratuity		Compensated Absences	
	Year ended 31 March, 2022	Year ended 31 March, 2021	Year ended 31 March, 2022	Year ended 31 March, 2021
Method used	Projected unit credit method			
Discount rate	6.95%	6.55%	6.95%	6.55%
Salary Escalation	6.00%	6.00%	6.00%	6.00%
Mortality Rate	IALM (2012-14)			
Rate of return on plan Assets	6.95%	6.55%	NA	NA

**Withdrawal Rates Per Annum**

## Notes to standalone financial statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

Age Band	Year ended 31 March, 2022	Year ended 31 March, 2021
25 & below	1.00%	7.50%
25 to 35	24.00%	7.50%
35 to 45	8.00%	7.50%
45 to 55	2.00%	7.50%
55 & above	1.00%	7.50%

### 32.4 Operating Segments (Ind AS – 108):

The Company is primarily engaged only in the business of providing loans to Small and Medium Enterprises ('SME') customers and has no overseas operations/units and as such, no segment reporting is required under Ind AS- 108 dealing with the Segment Reporting.

### 32.5 Related Party Disclosures (Ind AS-24):

#### A. List of Related Parties and relationships, having transactions during the year:

- a) **Subsidiary Company**  
Amulet Technologies Limited
- b) **Key Management Personnel's**  
Sanjeev Goel, Managing Director  
Radhika Rautela, Chief Finance Officer (upto 26 May, 2022)  
Vandana Das, Company Secretary
- c) **Relatives of Key Management Personnel**  
Pranav Goel, Son of Managing Director  
Dhruv Goel, Son of Managing Director
- d) **Enterprise over which Key Management Personnel exercises significant influence**  
Bubble Info Solutions Private Limited
- e) **Investing party in respect of which the Company is an associate**  
Pantec Devices Private Limited

#### A. Transactions with Related Parties

Nature of Transaction	Subsidiary Company		Investing party in respect of which the Company is an associate		Key Management Personnel and Relatives	
	Year ended 31 March					
	2022	2021	2022	2021	2022	2021
<b><u>Remuneration paid</u></b>						
a) Key Management Personnel's	-	-	-	-	147.13	148.85
b) Relatives of Key Management Personnel	-	-	-	-	23.36	16.46
<b><u>Loans and Advances (received back)/ given (net)</u></b>						
Amulet Technologies Limited (net of Ind AS impact)	(161.96)	311.02	-	-	-	-
<b><u>Sitting Fees paid</u></b>						
Sanjeev Goel (excluding GST)	-	-	-	-	0.50	0.70



**Notes to standalone financial statements for the year ended 31 March, 2022**

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

Nature of Transaction	Subsidiary Company		Investing party in respect of which the Company is an associate		Key Management Personnel and Relatives	
	Year ended 31 March					
	2022	2021	2022	2021	2022	2021
<b>Interest Income on loans</b>						
Pantec Devices Private Limited	-	-	2.25	2.25	-	-
Amulet Technologies Limited (net of Ind AS impact)	-	7.32	-	-	-	-

**B. Year end balances with related parties:**

	As at 31 March, 2022	As at 31 March, 2022
<b>Loans and Advances given</b>		
Amulet Technologies Limited (Subsidiary Company)	1,378.34	1,410.06
Pantec Devices Private Limited, (Investing party in respect of which the Company is an associate)	47.97	45.72
<b>Guarantee given on behalf of Company (Refer note 17.1.1 &amp; 17.2)</b>		
The Managing Director, Bubble Infosolution Private Limited (Company in which Managing Director of the Company is a Director), and Amulet Technologies Limited, Subsidiary of the Company)	Term Loans: 907.73 WCDL: 4,801.61	Term Loans: 1,420.67 WCDL: 5,731.06

**Notes:**

- Transaction values are excluding taxes and duties.
- Related parties as defined under Ind AS 24 'Related Party Disclosures' have been identified based on representations made by key managerial personnel and information available with the Company. All above transactions are in the ordinary course of business and on arm's length basis.
- Provisions for gratuity, compensated absences and other long-term service benefits are made for the Company as a whole and the amounts pertaining to the Key Managerial Personnel are not specifically identified and hence are not included above.

**32.6 Leases.**

Company's significant leasing arrangements are in respect of the premises (commercial premises, offices etc.) which contain extension option after the initial contract period, the amounts recognized on account of leases are as under:

**(i) Amount recognized in Statement of Profit and Loss.**

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Interest Expense on Lease Liabilities	8.22	13.44
Amortization of Right-of-Use Assets	17.53	24.37

**(ii) Amount recognized in Balance Sheet.**

Particulars	Year ended 31 March, 2021	Addition / (Deduction) during the year	Year ended 31 March, 2022
Lease liabilities	106.32	4.78	111.10
Right-of-use assets (Gross) (Refer Note 14)	134.05	19.16	153.21

## Notes to standalone financial statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

### (iii) Maturity Profile

Particulars	Amount
Maturity analysis – contractual undiscounted cash flows	
Within 1 year	37.83
Within 2 years	29.18
Within 3 years	17.36
Within 4 years	14.77
5 years or more	36.31
<b>Total undiscounted lease liabilities</b>	<b>135.45</b>
Impact of discounting and other adjustments	24.35
<b>Lease liabilities included in the Balance Sheet</b>	<b>111.10</b>

### 32.7 Earnings Per Share (EPS)

The Following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Profit for the year (Rs. in lakhs)	359.10	1,903.59
Basic/Diluted weighted average number of equity shares outstanding during the year	1,83,66,250	1,83,66,250
Nominal value of Equity Share (Rs.)	10.00	10.00
Basic/Diluted Earnings per Share (Rs.)	1.96	10.36

### 32.8 Corporate Social Responsibility (CSR):

The Company has constituted a CSR committee as required under Section 135 of the Companies Act, 2013, together with relevant rules as prescribed in Companies (Corporate Social Responsibility Policy) Rules, 2014 ('CSR rules'). The CSR Committee had approved the CSR Policy and also identified the broad areas of CSR activities which it propose to carry out viz. Child Education and Women Empowerment. The Company has made serious deliberations and chosen the CSR programs which would be undertaken on a long term and continuous basis. Such programs will benefit communities where the Company operates or likely to operate and create goodwill for the Company. As the Company has incurred average net losses during the last three years, no amount is required to be spent on account of CSR.

### 32.9 Going Concern:

Accumulated losses have resulted in erosion of substantial net worth of the Company, however, the Company has been able to improve its financial performance and has earned profit during the current year and also in previous year. Further, to improve its liquidity / cash flow, and to revive its financial position the Company has approached its lenders / bankers for restructuring / settlement of its loans which inter-alia includes waiver / reduction of interest. These proposals have been accepted / approved by certain banks during the year and also during the previous year wherein the Company has been able to get the gain of extinguishment of the loan liability including interest, and in other cases these proposals are under process at advanced stage and therein also the Company is hopeful to get substantial reduction in its loan's liability towards interest and principal.

Considering the above, and the future profitability and cash flow projections and the continued support of its promoters and bankers / lenders, the management is hopeful of further improvement in its financial position / performance, and accordingly the financial statements have been prepared on a going concern basis.

**32.10** The Company has considered the possible effects that may result from the COVID-19 pandemic in the preparation of these financial statements and has assessed its future cash flow projections and recoverability of its assets including loans to customers and also held impairment testing of its non-monetary assets including the property, plant and equipment, using the various internal and external information. Based on this evaluation, the Company expects to recover the carrying amount of these assets and does not anticipate any impairment to these financial and non-financial assets as at the date of approval of these financial statements. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration, and therefore,

**Notes to standalone financial statements for the year ended 31 March, 2022**

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

the Company will continue to monitor any material changes in future economic and business conditions, and the impact thereof, if any, required will be taken accordingly.

- 32.11** Disclosures as required under 'Master Direction - Non-Banking Financial Company – Non- Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016' and other applicable directions/circulars are enclosed vide Annexure – I.

**32.12 Capital**

The Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital and other reserves attributable to equity holders of the Company. As an NBFC, the RBI requires the Company to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier 1 and Tier 2 capital of 15% of the aggregate risk weighted assets. Further, the total of the Tier 2 capital cannot exceed 100% of the Tier 1 capital at any point of time. The capital management process of the Company ensures to maintain a healthy CRAR at all the times.

**Capital Management**

The primary objectives of the Company's capital management policy is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Company aims to maintain a strong capital base to support the risks inherent to its business and growth strategies. The Company endeavours to maintain a higher capital base than the mandated regulatory capital at all times.

**Planning**

The Company's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long-range strategy. These growth plans are aligned to assessment of risks– which include credit, liquidity and interest rate.

The Company monitors its capital to risk-weighted assets ratio (CRAR) on a monthly basis through its Assets Liability Management Committee (ALCO).

The Company endeavours to maintain its CRAR higher than the mandated regulatory norm. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

The Company is also the provider of equity capital to its wholly owned subsidiary and associates and also provides them with non-equity capital where necessary. These investments are funded by the Company through its equity share capital and other equity which inter alia includes securities premium and retained earnings.

**Regulatory capital**

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Tier I Capital	488.25	330.16
Tier II Capital	0.09	1.18
<b>Total Capital Funds</b>	<b>488.34</b>	<b>331.34</b>
Risk Weighted Assets	10,435.96	11,772.38
CET1 capital ratio	4.68%	2.80%
CET2 capital ratio	0.00%	0.01%
<b>Total capital ratio</b>	<b>4.68%</b>	<b>2.81%</b>

Regulatory capital consists of Tier 1 capital, which comprises share capital, securities premium and retained earnings. Certain adjustments are made to Ind AS based results and reserves, as prescribed by the Reserve Bank of India. The other component of regulatory capital is Tier 2 Capital, which includes subordinated debt. The Company is trying to meet the capital adequacy requirements of Reserve Bank of India (RBI).

**32.13 Events after Reporting Date**

There have been no events after the reporting date that require disclosure in these financial statements.

**32.14 Fair Values**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction

## Notes to standalone financial statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

This note describes the fair value measurement of both financial and non-financial instruments.

### Valuation framework

The Company has an internal fair value assessment team which assesses the fair values for assets qualifying for fair valuation.

The Company's valuation framework includes:

- Benchmarking prices against observable market prices or other independent sources;
- Development and validation of fair valuation models using model logic, inputs, outputs and adjustments.

These valuation models are subject to a process of due diligence and validation before they become operational and are continuously calibrated. These models are subject to approvals by various functions of the Company. Finance function is responsible for establishing procedures, governing valuation and ensuring fair values are in compliance with Indian accounting standards.

### Valuation methodologies adopted

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- a. Fair values of strategic investments in equity instruments designated under FVOCI have been measured under level 3.
- b. Fair value of loans held under a business model that is achieved by both collecting contractual cash flows and partially selling the loans through partial assignment to willing buyers and which contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest are measured at FVOCI. The fair value of these loans has been determined under level 3.
- c. The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances, other financial assets and liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short-term nature.

### 32.15. Fair Values Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

**Level 1:** Valuation based on quoted market price: financial instruments with quoted prices for identical instruments in active markets that the Company can access at the measurement date.

**Level 2:** Valuation based on using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

**Level 3:** Valuation technique with significant unobservable inputs: – financial instruments valued using valuation techniques where one or more significant inputs are unobservable.

**Notes to standalone financial statements for the year ended 31 March, 2022**

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

Disclosures of fair value measurement hierarchy for financial instruments are given below:

Particulars	Carrying amount/Fair value					
	As at 31 March, 2022			As at 31 March, 2021		
<b>Financial assets</b>	L-1	L-2	L-3	L-1	L-2	L-3
<b>Carrying amounts/fair value:</b>						
<b>a) Measured at fair value through profit and loss</b>						
Financial Guarantee Contracts	--	--	--	--	--	--
<b>b) Measured at fair value through other comprehensive income</b>						
	--	--	--	--	--	--
<b>c) Measured at amortised cost</b>						
- Cash and cash equivalents	--	--	411.28	--	--	100.59
- Bank Balance other than cash and cash equivalents	--	--	1.39	--	--	2.43
- Loans	--	--	7,953.53	--	--	9,085.07
- Investments	--	--	777.21	--	--	777.21
- Other financial assets	--	--	1,525.91	--	--	1,709.88
<b>Total</b>	--	--	<b>10,669.32</b>	--	--	<b>11,675.18</b>
<b>Financial liabilities</b>	L-1	L-2	L-3	L-1	L-2	L-3
<b>Carrying amounts/fair value:</b>						
<b>a) Measured at fair value through profit and loss</b>						
Financial Guarantee Contracts	--	--	--	--	--	--
<b>b) Measured at fair value through other comprehensive income</b>						
	--	--	--	--	--	--
<b>c) Measured at amortised cost</b>						
- Borrowings	--	--	5,710.32	--	--	7,155.15
- Lease liabilities	--	--	111.10	--	--	106.32
- Other financial liabilities	--	--	322.58	--	--	314.81
<b>Total</b>	--	--	<b>6,144.00</b>	--	--	<b>7,576.28</b>

**32.16 Disclosure required under Section 186 (4) of the Companies Act, 2013.**

Particulars of transaction made during the year and outstanding balance as at the end of the year:

Name of the Investee	Nature of Transaction	Purpose for which it is utilized	2021-22		2020-21	
			During the Year	Outstanding Balance	During the Year	Outstanding Balance
Amulet Technologies Limited	Investment	To fund the Subsidiary to carry out its activities i.e., consultancy, advisory and IT etc.	--	770.37	--	770.37
	Loan		(31.72)	1,378.34	441.04	1,410.06
			(Including loan received back (net) and interest Accrual thereon as per Ind AS)		(Including loan given (net) and interest Accrual thereon as per Ind AS)	

**32.17 Risk management objectives and policies****Risk Management Framework**

A summary of the major risks faced by the Company, its measurement monitoring and management are described as under:

## Notes to standalone financial statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

Nature of risk	Arising from	Executive governance structure	Measurement, monitoring and management of risk
Liquidity and funding risk	<p>Liquidity risk arises from mismatches in the timing of cash flows.</p> <p><b>Funding risk arises:</b></p> <ul style="list-style-type: none"> <li>when long term assets cannot be funded at the expected term resulting in cash flow mismatches;</li> <li>amidst volatile market conditions impacting sourcing of funds from banks and money markets</li> </ul>	Board appointed Asset Liability Committee (ALCO)	<p><b>Liquidity and funding risk is:</b></p> <ul style="list-style-type: none"> <li>measured by identifying gaps in the structural and dynamic liquidity statements.</li> <li>monitored by <ul style="list-style-type: none"> <li>assessment of the gap between visibility of funds and the near term liabilities given current liquidity conditions and evolving regulatory directions for NBFCs.</li> <li>a constant calibration of sources of funds in line with emerging market conditions in banking and money markets.</li> <li>periodic reviews by ALCO relating to the liquidity position and stress tests assuming varied 'what if' scenarios and comparing probable gaps with the liquidity buffers maintained by the Company.</li> </ul> </li> <li>managed by the Company's treasury team under the guidance of ALCO.</li> </ul>
Interest rate risk	Interest rate risk stems from movements in market factors, such as interest rates, credit spreads which impacts investments, income and the value of portfolios.	Board appointed Asset Liability Committee	<p>Interest rate risk is:</p> <ul style="list-style-type: none"> <li>measured using Valuation at Risk ('VaR'), and modified duration analysis and other measures, including the sensitivity of net interest income.</li> <li>monitored by assessment of probable impacts of interest rate sensitivities under simulated stress test scenarios given range of probable interest rate movement so on both fixed and floating assets and liabilities.</li> <li>managed by the Company's treasury team under the guidance of ALCO.</li> </ul>
Credit risk	Credit risk is the risk of financial loss arising out of a customer or counter party failing to meet their repayment obligations to the Company	Board appointed Risk Management Committee	<p>Credit risk is:</p> <ul style="list-style-type: none"> <li>measured as the amount at risk due to repayment default to a customer or counter party to the Company. Various matrices such as EMI default rate, overdue position, collection efficiency, customers non-performing loans etc. are used as leading indicators to assess credit risk.</li> <li>monitored by Risk Management Committee using level of credit exposures, portfolio monitoring, repurchase rate, bureau data of portfolio performance and industry, geographic, customer and portfolio concentration risks.</li> <li>managed by a robust control framework by the risk department which continuously align credit policies, obtaining external data from credit bureaus and reviews of portfolios and delinquencies by senior and middle Management team comprising of risk, analytics, collection and fraud containment along with business. The same is periodically reviewed by the Board appointed Risk Management Committee.</li> </ul>



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**Liquidity and funding risk**

The Company monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Balance Sheet.

The Company continuously monitors liquidity in the market; and as a part of its strategy, the Company maintains a liquidity buffer managed by an active investment desk to reduce this risk.

The Company is managing its fund requirements mainly from banks and financial institutions. The Company emphasis on long term borrowings, however, presently its short term borrowing are more than the long term borrowing, which has helped the Company to manage and meet its fund requirements, considering that presently the Company is not disbursing new / further loans to its customers and its focus is on recovery and to improve its assets quality. The table below summarises the maturity profile of the undiscounted cashflow of the Company's financial liabilities:

Particulars	As at 31 March, 2021			As at 31 March, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Borrowings	5,710.32	--	5,710.32	7,153.97	1.18	7,155.15
Lease liabilities	27.60	83.50	111.10	20.69	85.63	106.32
Other financial liabilities	322.58	--	322.58	314.81	--	314.81
	<b>6,060.50</b>	<b>83.50</b>	<b>6,144.00</b>	<b>7,489.47</b>	<b>86.81</b>	<b>7,576.28</b>

Particulars	As at 31 March, 2022			As at 31 March, 2021		
	Within 12 months	After 12 months	Total	Within 12 Months	After 12 Months	Total
<b>ASSETS</b>						
<b>Financial assets</b>						
Cash and cash equivalents	411.28	--	411.28	100.59	--	100.59
Bank balances other than cash and cash equivalents	1.39	--	1.39	2.43	--	2.43
Loans	6,505.47	1,448.06	7,953.53	7,691.12	1,393.95	9,085.07
Investments	--	777.21	777.21	--	777.21	777.21
Other financial assets	1,514.84	11.07	1,525.91	1,698.20	11.68	1,709.88
<b>Non-financial assets</b>						
Current tax assets (net)	3.06	--	3.06	26.71	--	26.71
Deferred tax assets (net)	--	2,787.23	2,787.23	--	2,799.77	2,799.77
Property, plant and equipment	--	39.05	39.05	--	52.30	52.30
Capital work-in-progress	--	0.35	0.35	--	0.35	0.35
Intangible assets	--	21.35	21.35	--	26.69	26.69
Right-of-use assets	--	95.29	95.29	--	93.66	93.66
Other non-financial assets	17.33	--	17.33	25.87	--	25.87
<b>Non-current assets held for sale</b>	122.93	--	122.93	122.93	--	122.93
<b>Total</b>			<b>13,755.91</b>			<b>14,823.46</b>
<b>LIABILITIES</b>						
<b>Financial liabilities</b>						
Borrowings	5,710.32	--	5,710.32	7,153.97	1.18	7,155.15
Lease liabilities	27.60	83.50	111.10	20.69	85.63	106.32
Other financial liabilities	322.58	--	322.58	314.81	--	314.81

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(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

Particulars	As at 31 March, 2022			As at 31 March, 2021		
	Within 12 months	After 12 months	Total	Within 12 Months	After 12 Months	Total
<b>Non-financial liabilities</b>						
Provisions	0.46	2.38	2.84	0.44	2.53	2.97
Other non-financial liabilities	30.34	--	30.34	17.50	--	17.50
			<b>6,177.18</b>			<b>7,596.75</b>

### Market risk

Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate due to changes in the market variables such as interest rates, foreign exchange rates and equity prices. The Company do not have any exposure to foreign exchange rate and equity price risk.

### Interest rate risk On investments

The interest rate risk on the investment portfolio and corresponding fair value change impact is monitored using Valuation at Risk ('VaR') and modified duration analysis and other measures, including the sensitivity of net interest income. The Company do not have any investment which is exposed to interest risk.

### On assets and liabilities

Interest rate sensitivity on fixed and floating rate assets and liabilities with differing maturity profiles is measured by using the duration gap analysis. The same is computed periodically and sensitivity of the market value of equity assuming varied changes in interest rates are presented and monitored.

### Sensitivity analysis as at 31 March, 2022

Particulars	Carrying value	Fair value	Sensitivity to closing fair value	
			1% increase	1% decrease
Loans – Financial Assets	7,953.53	7,953.53	79.53	(79.53)
Borrowings – Financial Liabilities	5,710.32	5,710.32	57.10	(57.10)

### Sensitivity analysis as at 31 March, 2021

Particulars	Carrying value	Fair value	Sensitivity to closing fair value	
			1% increase	1% decrease
Loans – Financial Assets	9,085.07	9,085.07	90.85	(90.85)
Borrowings – Financial Liabilities	7,155.15	7,155.15	71.55	(71.55)

### Credit risk

Credit risk is the risk of financial loss arising out of a customer or counterparty failing to meet their repayment obligations to the Company. It has a diversified lending model and focuses on broad categories viz: business, mortgages, and commercial lending. The Company assesses the credit quality of all financial instruments that are subject to credit risk.

### Classification of financial assets under various stages

The Company classifies its financial assets in three stages having the following characteristics:

Stage1: unimpaired and without significant increase in credit risk since initial recognition on which a 12-month allowance for ECL is recognised;

**Notes to standalone financial statements for the year ended 31 March, 2022**

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

Stage 2: a significant increase in credit risk since initial recognition on which a lifetime ECL is recognised;

Stage 3: objective evidence of impairment, and are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised.

Unless identified at an earlier stage, all financial assets are deemed to have suffered a significant increase in credit risk when they are 90 days past due (DPD) and are accordingly transferred from stage 1 to stage 2. For stage 1 an ECL allowance is calculated based on a 12-month Point in Time (PIT) probability weighted probability of default (PD). For stage 2 and 3 assets a life time ECL is calculated based on a lifetime PD.

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD) along with an adjustment considering forward macro-economic conditions [for a detailed note for methodology of computation of ECL please refer to significant accounting policies note no 4.3(i) to the financial statements].

Financial instruments other than loans were subjected to simplified ECL approach under Ind AS 109 'Financial Instruments' and accordingly were not subject to sensitivity of future economic conditions.

The table below summarises the approach adopted by the Company for various components of ECL viz. PD, EAD and LGD across product lines using empirical data where relevant

Lending Category	Nature of Businesses	Probability of Default (PD)			Exposure at Default (EAD)	Loss Given Default (LGD)
		Stage 1	Stage 2	Stage 3		
Business Loan	Unsecured loans to SMEs, corporate and others etc.	Use of past trend and data and statistical analysis thereof, external / internal ratings and internal evaluation with a management overlay.		100%	EAD is computed based on assessment of time to default considering customers profile and time for liquidation of securities	Based on past trend of recoveries, associated risk of underlying security and estimated cash flows.
Mortgage Loan	Loans against collateral security of plant & machinery					
Commercial Loan	Loans against property					

The table below summarises the gross carrying values and the associated allowances for expected credit loss (ECL) stage wise for loan portfolio:

**As at 31 March, 2022**

Particulars	Secured			Unsecured		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gross Carrying Value	40.89	8.19	15,968.83	1,426.31	171.98	2,119.25
Allowance for ECL	0.09	-	9,846.49	-	-	1,935.34
ECL Coverage ratio	0.22%	0.00%	61.66%	0.00%	0.00%	91.32%

## Notes to standalone financial statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

### As at 31 March, 2021

Particulars	Secured			Unsecured		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gross Carrying Value	192.41	70.33	16,653.22	1,410.06	194.56	2,198.04
Allowance for ECL	0.95	0.23	9,670.47	-	-	1,961.90
ECL Coverage ratio	0.49%	0.33%	58.07%	0.00%	0.00%	89.26%

### Collateral Valuation

The nature of products across these broad categories are either unsecured or secured by collateral. Although collateral is an important risk mitigant of credit risk, the Company's practice is to lend on the basis of assessment of the customer's ability to repay rather than placing primary reliance on collateral. Based on the nature of product and the Company's assessment of the customer's credit risk, a loan may be offered with suitable collateral. Depending on its form, collateral can have a significant financial effect in mitigating the Company's credit risk.

The main types of collateral across various products obtained are as follows:

Product group	Nature of securities
Mortgage Loan	Hypothecation of underlying plant & machinery
Commercial Loan	Equitable mortgage of residential and commercial properties.

The Company periodically monitors the market value of collateral and evaluates its exposure and loan to value matrix for high risk customers. The Company exercises its right of repossession across all secured products, and also resorts to judicial remedies available against its mortgages and commercial lending business. The repossessed assets are either sold or released to delinquent customers in case they come forward to settle their dues, but are not recorded in the accounts. The assets possessed / received in settlement of the loan are recorded as non-current assets held for sale (refer note 16).

### Analysis of Concentration Risk

Credit concentration risk is the risk associated with any single exposure or group of exposures with the potential to produce large enough losses to threaten Company's core operation. The Company's exposure to various borrowers is constantly monitored to mitigate the credit concentration risk. The detail of advances to the top 20 largest borrowers and its percentage to the total advances is as under:

Particulars	As at 31 March, 2022	As at 31 March, 2021
Total Loans to twenty largest borrowers	6,970.74	6,423.06
Percentage of Advances to twenty largest borrowers to Total Loans of the Company	35.32%	31.00%

The Company's loans exposure are within the geographic area of National Capital Region, New Delhi.

### Measurement uncertainty and sensitivity analysis of ECL estimates

Expected credit loss impairment loss allowances recognised in the financial statements reflect the effect of a range of possible economic outcomes, calculated on a probability-weighted basis, based on the economic scenarios. Key assumptions used in measurement of ECL.

- The Company considers the date of initial recognition as the base date from which significant increase in credit risk is determined.

**Notes to standalone financial statements for the year ended 31 March, 2022**

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

- Since the Company has a right to cancel any sanctioned but undrawn limits to any of its borrowers, EAD is assumed to be outstanding balance as on the reporting date.

**32.18 Disclosures pursuant to RBI Notification-RBI/2019-20/170 DOR (NBFC).CC.PD.NO.109/22.10.106/2019-20 Dated 13 March 2020- A comparison between provisions required under Income recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 'Financial instruments'**

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance (Provisions) as required under Ind AS 109	Net Carrying amount	Provision required as per IRACP norms	Difference between Ind AS 109 provision and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
<b>(a) Performing Assets</b>						
Standard	Stage 1	1,467.20	0.09	1,467.11	3.71	(3.62)
	Stage 2	180.17	0.00	180.17	0.45	(0.45)
Subtotal (a)		<b>1,647.37</b>	<b>0.09</b>	<b>1,647.28</b>	<b>4.16</b>	<b>(4.07)</b>
<b>(b) Non-Performing Assets (NPA)</b>						
(i) Substandard	Stage 3	1,261.14	414.54	846.60	126.11	288.43
(ii) <u>Doubtful up to</u>						
1 year	Stage 3	969.96	478.65	491.31	628.52	(149.87)
1 to 3 years	Stage 3	3,766.48	2,636.56	1,129.92	3,027.77	(391.21)
More than 3 years	Stage 3	12,090.50	8,252.08	3,838.42	10,321.80	(2,069.72)
Subtotal (ii)		<b>16,826.94</b>	<b>11,367.29</b>	<b>5,459.65</b>	<b>13,978.09</b>	<b>(2,610.80)</b>
(iii) Loss	Stage 3	-	-	-	-	-
Subtotal (b)		<b>18,088.08</b>	<b>11,781.83</b>	<b>6,306.25</b>	<b>14,104.20</b>	<b>(2,322.37)</b>
<b>Total (a+b)</b>	Stage 1	1,467.20	0.09	1,467.11	3.71	(3.62)
	Stage 2	180.17	0	180.17	0.45	(0.45)
	Stage 3	18,088.08	11,781.83	6,306.25	14,104.20	(2,322.37)
	<b>Total</b>	<b>19,735.45</b>	<b>11,781.92</b>	<b>7,953.53</b>	<b>14,108.36</b>	<b>(2,326.44)</b>

**32.19 Title deeds of Immovable Properties not held in name of the Company**

Relevant line item in the Balance Sheet	Description of item property	Gross Carrying Value	Title Deeds held in the name of	Whether title deed holder is promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Property, plant & equipment	Land	4.82	Unitel Credit Private Limited (merged with Intec Capital Limited)	No	02/08/2006	Unitel Credit Private Limited merged with Intec Capital Ltd; however, Company is in the process of registration of Title Deed.

## Notes to standalone financial statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

### 32.20 Details of Loan & Advances in the nature of loan granted to Promoters, Directors, Key Management Personnel & the related parties.

Type of Borrower	As at 31 March 2022		As at 31 March 2021	
	Amount outstanding	% of Total	Amount outstanding	% of Total
Promoters	--	--	--	--
Director	--	--	--	--
KMPs	--	--	--	--
<b>Related Parties</b>				
1) Amulet Technologies	1,378.34	6.98%	1,410.06	6.81%
2) Pantec devices Pvt. Ltd	47.97	0.24%	45.72	0.22%

### 32.21 Capital-Work-in Progress (CWIP)

Capital-work-in progress ageing schedule as at 31 March, 2022

CWIP	Amount in CWIP for a period of 31 March, 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	0.35	-	-	0.35
Projects temporarily suspended	-	-	-	-	-

Capital-work-in progress completion schedule as at 31 March, 2022

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 1	0.35	-	-	-	0.35

Capital-work-in progress ageing schedule as at 31 March, 2021

CWIP	Amount in CWIP for a period of 31 March, 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.35	-	-	-	0.35
Projects temporarily suspended	-	-	-	-	-

### 32.22 Wilful Defaulter:

The Company has not been declared wilful defaulter by any bank or financial institution or other lender company, as such the declaration as wilful defaulter is not applicable.

### 32.23 Relationship with Struck off Companies

The Company has the transactions with the company struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956, as under:

Name of Struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at 31 March, 2022	Relationship with the struck off company, if any, to be disclosed
Runit Fabrics Pvt Ltd.	Loan outstanding	9.65	No relation



**Notes to standalone financial statements for the year ended 31 March, 2022**

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

**32.24 Ratio Analysis**

Particulars	Numerator	Denominator	31 March, 2022	31 March, 2021	% Variance	Reason for variance
Capital to risk-weighted assets ratio (CRAR)	Total Capital Funds	Risk Weighted Assets	4.68	2.81	+67%	Due to recovery from Loans
Tier I CRAR	Net Owned Funds	Risk Weighted Assets	4.68	2.80	+67%	Due to recovery from Loans
Tier II CRAR	Tier II Capital	Risk Weighted Assets	0.00	0.01	-100%	Due to decrease in provision on Loans
Liquidity Coverage Ratio	Cash & cash equivalents	Net Cash Out Flow	15.21	5.32	+186%	Due to increase in cash and cash equivalents

**32.25** Previous year's figures have been reclassified / regrouped wherever necessary to conform to current year classification.

As per our report of even date  
**For S. P. Chopra & Co.**  
**Chartered Accountants**  
 Firm Registration No. 000346N

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

**(Gautam Bhutani)**  
 Partner  
 Membership No.: 524485

**(Sanjeev Goel)**  
 Managing Director  
 DIN: 00028702

**(S.K. Goel)**  
 Director  
 DIN: 00963735

Place: New Delhi  
 Date: 28 May, 2022

**(Vandana Das)**  
 Company Secretary  
 M. No. ACS – 53952

## Notes to standalone financial statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

### Annexure – I, as referred in Note 32.11

#### A. Schedule to the Balance Sheet, as required in terms of paragraph 18 of 'Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

Particulars		As at		As at	
Liabilities side:		31 March, 2022		31 March, 2021	
1	Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
(a)	Debentures:	-	-	-	-
	Secured	-	-	-	-
	Unsecured	-	-	-	-
	(Other than falling within the meaning of public deposits)				
(b)	Deferred credits	-	-	-	-
(c)	Term loan	908.71	907.73	1,424.09	1,396.35
(d)	Inter corporate loans and borrowings	-	-	-	-
(e)	Commercial paper (net of un-amortized discount on issue)	-	-	-	-
(f)	Public Deposits	-	-	-	-
(g)	Other loans:				
	Working capital demand loans from banks	-	-	-	-
	Cash credit/overdraft from banks	4,801.61	4,680.78	5,731.06	5,500.38
	<b>Total</b>	<b>5,710.32</b>	<b>5,588.51</b>	<b>7,155.15</b>	<b>6,896.73</b>

2	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):	Amount outstanding As at 31 March, 2022	Amount outstanding As at 31 March, 2021
a)	In the form of Unsecured Debentures	-	-
b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
c)	Other Public deposits	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

3	Assets side:	Amount outstanding As at 31 March, 2022	Amount outstanding As at 31 March, 2021
	Break-up of loans and advances including bills receivables {other than those included in (4) below}:		
	Secured #	6,171.33	7,244.31
	Unsecured #	1,782.20	1,840.76
	<b>Total</b>	<b>7,953.53</b>	<b>9,085.07</b>

# Comprises of loans which are disclosed net of provision for non-performing assets.

4	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	As at 31 March, 2022	As at 31 March, 2021
(i)	Lease assets including lease rentals under sundry debtors:		
	(a) Financial lease	-	-
	(b) Operating lease	-	-
(ii)	Stock on hire including hire charges, under sundry debtors:		
	(a) Assets on hire	-	-
	(b) Repossessed stock	-	-
(iii)	Other Loans counting towards AFC activities:		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

**Notes to standalone financial statements for the year ended 31 March, 2022**

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

5	Break-up of investments	Amount outstanding as at 31 March, 2022	Amount outstanding as at 31 March, 2021
	<b>Current investments:</b>		
1	<b>Quoted:</b>		
	(i) Shares:		
	(a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government securities	-	-
	(v) Others	-	-
2	<b>Unquoted:</b>		
	(i) Shares:		
	(a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government securities	-	-
	(v) Others	-	-
	<b>Long term investments:</b>		
1	<b>Quoted:</b>		
	(i) Shares:		
	(a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government securities	-	-
	(v) Others	-	-
2	<b>Unquoted:</b>		
	(i) Shares:		
	(a) Equity	777.21	777.21
	(b) Preference	-	-
	(ii) Debentures and bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government securities	-	-
	(v) Others	-	-
	<b>Total</b>	<b>777.21</b>	<b>777.21</b>

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

Category	Amount net of provisions As at 31 March, 2022			Amount net of provisions As at 31 March, 2021
	secured	Unsecured	Total	secured
1. Related Parties:				
(a) Subsidiaries	-	1,378.34	1,378.34	-
(b) Companies in the same group	-	-	-	-
(c) Other related Parties	-	47.97	47.97	-
2 Other than related Parties	6,171.33	355.89	6,527.22	7,244.31
<b>Total</b>	<b>6,171.33</b>	<b>1,782.20</b>	<b>7,953.53</b>	<b>7,244.31</b>

## Notes to standalone financial statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

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

Category	As at 31 March, 2022		As at 31 March, 2021	
	Market value/ Break-up or Fair value or NAV #	Book value (net of Provisions)	Market Value/ Break-up or Fair Value or NAV #	Book value (net of Provisions)
1. Related Parties:				
(a) Subsidiaries	770.37	770.37	770.37	770.37
(b) Companies in the same group	-	-	-	-
(c) Other related parties	1.16	1.16	1.16	1.16
2 Other than related parties	5.68	5.68	5.68	5.68
<b>Total</b>	<b>777.21</b>	<b>777.21</b>	<b>777.21</b>	<b>777.21</b>

8 Other information	As at 31 March, 2021	As at 31 March, 2021
(i) Gross Non-Performing Assets#		
(a) Related parties	-	-
(b) Other than related parties	18,088.08	18,851.26
(ii) Net Non-Performing Assets #		
(a) Related parties	-	-
(b) Other than related parties	6,306.25	7,218.89
(iii) Assets acquired in satisfaction of debts (net of provisions)	-	-

# These are unquoted shares and the fair value/NAV thereof is not less than their book value.

### B. Details of assignment transactions undertaken

Particulars	As at 31 March, 2022	As at 31 March, 2021
(i) No. of accounts	-	-
(ii) Aggregate value of accounts sold, gross exposure	-	-
(iii) Aggregate consideration for assigned portion	-	-
(iv) Additional consideration realised in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain/(loss) over net book value	-	-

### C. Disclosure of restructured accounts as required by the NBFC Master Directions issued by RBI

Type of restructuring – Others	Asset Classification				
	Standard	Sub-standard	Doubtful	Loss	Total
i) Restructured accounts as on 1 April, 2021					
No. of borrowers	1	-	-	-	1
Amount outstanding	194.56	-	-	-	194.56
Provision thereon	0.66	-	-	-	0.66
ii) Fresh restructuring during the year-					
No. of borrowers	-	-	-	-	-
Amount outstanding	-	-	-	-	-
Provision thereon	-	-	-	-	-

**Notes to standalone financial statements for the year ended 31 March, 2022**

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

Type of restructuring – Others	Asset Classification				
	Standard	Sub-standard	Doubtful	Loss	Total
iii) Upgradations to restructured standard category during the FY-					
No. of borrowers	-	-	-	-	-
Amount outstanding	-	-	-	-	-
Provision thereon	-	-	-	-	-
iv) Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY-					
No. of borrowers	-	-	-	-	-
Amount outstanding	-	-	-	-	-
Provision thereon	-	-	-	-	-
V) Downgradations of restructured accounts during the FY-					
No. of borrowers	-	-	-	-	-
Amount outstanding	-	-	-	-	-
Provision thereon	-	-	-	-	-
vi) Write-offs/Settlements/Recoveries of restructured accounts during the year					
No. of borrowers	1	-	-	-	1
Amount outstanding	22.58	-	-	-	22.58
Provision thereon	0.23	-	-	-	0.23
vii) Restructured accounts as on 31 March, 2022					
No. of borrowers	1	-	-	-	1
Amount outstanding	171.98	-	-	-	171.98
Provision thereon	0.43	-	-	-	0.43

**E. Disclosure pursuant to Reserve Bank of India Circular DOR.NBFC (PD) CC. No.102/03.10.001/2019- 20 dated November 4, 2019 pertaining to Liquidity Risk Management Framework for Non-Banking Financial Companies:****(I) Funding Concentration based on significant counterparty (borrowings)**

Particulars	As at 31 March, 2022
Number of significant counter parties*	-
Amount	-
Percentage of funding concentration to total liabilities	-

\*Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4 November 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies.

**(II) Top 10 borrowings**

Particulars	As at 31 March 2022		As at 31 March, 2021	
	Amount	% of Total Borrowings	Amount	% of Total Borrowings
Top 10 Borrower*	5,710.32	100 %	7,155.15	100 %

## Notes to standalone financial statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

\*Based on size of bond issuance/term loans from bank

### (III) Funding Concentration based on significant instrument/product

Significant instrument /product	As at 31 March, 2022		As at 31 March, 2021	
	Amount	% of Total Liabilities	Amount	% of Total Liabilities
<b>Borrowings</b>	5,710.32	100 %	7,155.15	100 %
<b>Total</b>	5,710.32	100 %	7,155.15	100 %

### (IV) Stock Ratios

Particulars	% to total public funds	% to total liabilities	% to total assets
<b>As at 31.03.2022</b>			
Other short-term liabilities	-	5.69 %	2.56 %
<b>As at 31.03.2021</b>			
Other short-term liabilities	-	4.65 %	2.38 %

---- The End ----



# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF 'INTEC CAPITAL LIMITED' ON CONSOLIDATED FINANCIAL STATEMENTS

### Qualified Opinion

We have audited the accompanying consolidated financial statements of **Intec Capital Limited** (hereinafter referred to as the "Holding Company") and its Subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 (the 'Act') and the directions and guidelines issued by Reserve Bank of India as applicable to Non-Systemically Important Non-Deposit taking Non Banking Financial Company ('NBFC Regulations'), in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2022 and its Profit (including Other Comprehensive Loss), its changes in equity and its cash flows for the year ended on that date

### Basis for Qualified Opinion

The Holding Company has availed term loans and working capital facilities from various banks, however, slow down of its lending business and increased level of non-performing / impaired loan portfolio, has impacted its cash flow / liquidity, and the Holding Company is unable to service term loans and working capital facilities including interest thereon to certain banks. The interest of Rs. 2,320.80 lakhs accrued on these loans has not been accounted / provided for by the Company, due to the reasons as described by the Company in note no. 17.4 to these consolidated financial statements. The same has resulted in the non-compliance of the Ind AS and inconsistency in the application of the accounting policies of the Group, and if the said interest would

have been accounted / provided for, the Group's total comprehensive loss for the year, and borrowings and other equity as at the Balance Sheet date would have been Rs. 2,100.73 lakhs and Rs. 8,031.12 lakhs and Rs. 2,649.54 lakhs as against the reported figures of Rs. 220.07 lakhs of total comprehensive income and Rs. 5,710.32 lakhs and Rs. 4,970.34 lakhs respectively.

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

### Key Audit Matter

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

Key Audit Matters	How the matter was addressed in the audit
<p><u>Impairment of Financial Assets including Loans to the Customers (Expected Credit Losses)</u></p> <p>Ind AS 109 requires the Holding Company to recognise impairment loss allowance towards its financial assets including loans to customers (designated at amortised cost) using the expected credit loss (ECL) approach. Such ECL allowance is required to be measured considering the guiding principles of Ind AS 109 including unbiased, probability weighted outcome under various scenarios, time value of money, impact arising from forward looking macro-economic factors and availability of reasonable and supportable information without undue costs.</p> <p>Applying these principles involves significant estimation in various aspects, such as grouping of borrowers based on homogeneity by using appropriate statistical techniques, staging of loans and estimation of behavioral life, determining macro-economic factors impacting credit quality of receivables, estimation of losses for loan products with no / minimal historical defaults. Considering the significance of such allowance to the overall financial statements (and the degree of estimation involved in computation of expected credit losses), this area is considered as a key audit matter.</p>	<p><u>Our Audit Procedure:</u></p> <p>We obtained and evaluated the management's estimations and specifically performed the work as under:</p> <ul style="list-style-type: none"> <li>- Read and assessed the Holding Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109.</li> <li>- Evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation and tested the controls around data extraction and validation.</li> <li>- Tested the ECL model, including assumptions and underlying computation.</li> <li>- Assessed the floor/minimum rates of provisioning applied by the Holding Company for loan products with inadequate historical defaults.</li> </ul> <p><u>Our Results:</u></p> <p>The results of our testing were satisfactory and we considered the fair value of the financial assets including loans to customers recognised to be acceptable.</p>

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

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

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

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

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

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

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

The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the audit of the Consolidated Financial Statements**

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

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

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

underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audits carried out by him. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated financial statements of which we are independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report

because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matter

We did not audit the financial statements of the Subsidiary Company, namely Amulet Technologies Limited, whose financial statements reflect total assets of Rs. 1,377.37 lakhs as at 31 March, 2022, and total revenues of Rs. 15.39 lakhs, total loss after tax of Rs. 131.93 lakhs and total comprehensive loss of Rs. 131.93 lakhs and net cash outflow of Rs. 124.28 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor, whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far it relates to the amounts and disclosures included in respect of the said Subsidiary, is based solely on the report of the said auditor.

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

#### Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by us for the Holding Company, and report for its Subsidiary issued by other auditor as stated in 'Other matter' above which is included in the consolidated financial statements of the Group, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports, except to the extent stated herein below:

Sr. No.	Name of the Company	CIN	Holding Company/ Subsidiary	Clause number of the CARO report which is qualified or adverse
1.	Intec Capital Limited	L74899DL1994PLC057410	Holding Company	Clauses 3(i)(c) and 3(ix)(a)
2.	Amulet Technologies Limited	U74140DL2011PLC217880	Subsidiary	Clauses 3(iii)(c), 3(iii)(f) and 3(xvii)

**2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:**

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as appears from our examination of those books and reports of the other auditor.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.
- e. on the basis of the written representations received from the directors of the Holding Company audited by us, and taken on record by the Board of Directors, and the report of the statutory auditor of the Subsidiary company not audited by us, none of the directors of the Holding Company and its Subsidiary company is disqualified as on 31 March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to financial statements and operating effectiveness of such controls of the Holding Company audited by us, and of the Subsidiary company, not audited by us (as reported by its auditor), refer to our separate report in **Annexure-'A'**; and
- g. In our opinion, the remuneration paid by the Holding Company and by the Subsidiary company, not audited by us (as reported by its auditor), to its Directors is in accordance with the provisions of Section 197 of the Companies Act, 2013; and
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Consolidated financial statements disclose the impact of pending litigations on the Consolidated financial position of the Group – Refer Note 32.1 to the consolidated financial statements;
  - ii. The Group has not entered into any long-term contracts including derivative contracts.
  - iii. There has been no amount, required to be transferred, to the Investor Education and Protection Fund by the Group.
  - iv. (a) The Managements of the companies considered in the consolidated financial statements have represented that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Managements of the companies considered in the consolidated financial statements have represented, that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Group from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our

notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. No dividend was declared or paid during the year; hence, the said clause is not applicable.

**For S. P. Chopra & Co.**  
**Chartered Accountants**  
**Firm Regn. No. 000346N**

**(Gautam Bhutani)**  
**Partner**  
**M. No. 524485**  
**UDIN: 22524485AJVEOO7764**

**Place : New Delhi**  
**Dated: 28 May, 2022**



## ANNEXURE-‘A’

# TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 2.f under ‘Report on Other Legal and Regulatory Requirements’ section of the independent auditors report of even date on the consolidated financial statements of Intec Capital Limited for the year ended 31 March, 2022)

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

We have audited the internal financial controls over financial reporting of **Intec Capital Limited** (“the Holding Company”) and its Subsidiary (the Holding Company and its Subsidiary together referred as “the Group”) for the year ended 31 March, 2022, in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

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

### Auditor’s Responsibility

Our responsibility is to express an opinion on the Group’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the ‘Guidance Note’) and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and,

both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### Meaning of Internal Financial Controls Over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are

being made only in accordance with authorizations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Group has, in all material respects, adequate internal financial controls with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at 31 March, 2022, based on the internal control over financial reporting criteria established by the Group considering

the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matter**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to the financial statements in so far as it relates to Subsidiary company, namely Amulet Technologies Limited is based on the corresponding report of the auditor of the said Company.

Our opinion is not modified in respect of the above matter.

**For S. P. Chopra & Co.  
Chartered Accountants  
Firm Regn. No. 000346N**

**(Gautam Bhutani)  
Partner  
M. No. 524485  
UDIN: 22524485AJVEOO7764**

**Place : New Delhi  
Dated: 28 May, 2022**

## Consolidated Balance Sheet as at 31 March, 2022

(Amount in INR lakhs, unless otherwise stated)

Particulars	Note No.	As at 31 March, 2022	As at 31 March, 2021
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	5	413.45	291.30
Bank Balance other than cash and cash equivalents	6	32.13	2.43
Loans	7	6,575.19	7,675.01
Investments	8	6.84	6.84
Other financial assets	9	1,655.67	1,834.85
<b>Non-financial assets</b>			
Current tax assets (net)	10	5.70	27.93
Deferred tax assets (net)	11	2,787.23	2,799.77
Property, plant and equipment	12.a	1,250.97	1,276.56
Capital work-in-progress	12.b	0.35	0.35
Intangible assets	13	21.35	26.69
Right-of-use assets	14	95.29	93.66
Other non-financial assets	15	17.47	25.87
<b>Non-current assets held for sale</b>	16	122.93	122.93
<b>Total assets</b>		<b>12,984.57</b>	<b>14,184.19</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
Borrowings	17	5,710.32	7,155.15
Lease liabilities	32.6	111.10	106.32
Other financial liabilities	18		
- Total outstanding dues of micro enterprises and small enterprises		3.18	2.73
- Total outstanding dues of other than micro enterprises and small enterprises		319.82	312.63
<b>Non-financial liabilities</b>			
Provisions	19	2.84	2.97
Other non-financial liabilities	20	30.34	17.50
<b>EQUITY</b>			
Equity share capital	21	1,836.63	1,836.63
Other equity	22	4,970.34	4,750.26
<b>Total liabilities and equity</b>		<b>12,984.57</b>	<b>14,184.19</b>

The accompanying notes 1 to 32 form an integral part of the consolidated financial statements.

As per our report of even date

For S. P. Chopra & Co.  
Chartered Accountants  
Firm Registration No. 000346N

(Gautam Bhutani)  
Partner  
Membership No.: 524485

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

(Sanjeev Goel)  
Managing Director  
DIN: 00028702

(S.K. Goel)  
Director  
DIN: 00963735

Place: New Delhi  
Date: 28 May, 2022

(Vandana Das)  
Company Secretary  
M. No. ACS – 53952

## Consolidated Statement of Profit and Loss for the year ended 31 March, 2022

(Amount in INR lakhs, unless otherwise stated)

Particulars	Note No.	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>INCOME</b>			
<b>Revenue from operations</b>			
Interest income	23	303.40	578.38
Fees and commission income	24	0.66	5.73
Recoveries of financial assets written off	25	668.45	4.12
<b>Total revenue from operations</b>		<b>972.51</b>	<b>588.23</b>
Other income	26	7.31	108.26
<b>Total income</b>		<b>979.82</b>	<b>696.49</b>
<b>EXPENSE</b>			
Finance costs	27	13.25	20.39
Impairment on financial instruments	28	197.61	(2,015.30)
Employee benefits expenses	29	496.60	411.43
Depreciation and amortization	30	56.08	69.57
Other expenses	31	636.92	509.38
<b>Total expenses</b>		<b>1,400.46</b>	<b>(1,004.53)</b>
<b>(Loss) / Profit before exceptional item and tax</b>		<b>(420.64)</b>	<b>1,701.02</b>
Gain on extinguishment of borrowings under One Time Settlement	17.5	662.72	864.53
<b>Profit before tax</b>		<b>242.08</b>	<b>2,565.55</b>
<b>Tax expense</b>			
Earlier year's tax		-	30.32
Deferred tax	11.iii	14.92	755.85
<b>Total tax expense</b>		<b>14.92</b>	<b>786.17</b>
<b>Profit for the year</b>		<b>227.16</b>	<b>1,779.38</b>
<b>Other comprehensive income / (loss)</b>			
Items that will not be reclassified to profit or loss			
Re-measurement (loss) / gain on defined benefit plan		(9.47)	3.67
Income tax effect	11.iv	2.38	(0.95)
<b>Other comprehensive (loss) / income</b>		<b>(7.09)</b>	<b>2.72</b>
<b>Total comprehensive Income for the year</b>		<b>220.07</b>	<b>1,782.10</b>
Earnings per share: (Nominal value per share Rs. 10/-)	32.7		
Basic/Diluted earnings per share (in Rs.)		1.24	9.69

The accompanying notes 1 to 32 form an integral part of the consolidated financial statements.

As per our report of even date

**For S. P. Chopra & Co.**  
**Chartered Accountants**  
Firm Registration No. 000346N

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

**(Gautam Bhutani)**  
Partner  
Membership No.: 524485

**(Sanjeev Goel)**  
Managing Director  
DIN: 00028702

**(S.K. Goel)**  
Director  
DIN: 00963735

Place: New Delhi  
Date: 28 May, 2022

**(Vandana Das)**  
Company Secretary  
M. No. ACS – 53952

## Consolidated Statement of Cash Flows for the year ended 31 March, 2022

(Amount in INR lakhs, unless otherwise stated)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>242.08</b>	<b>2,565.55</b>
<b>Adjustments for:</b>		
Depreciation and amortisation	56.08	69.57
Impairment on financial instruments	197.61	(2,015.30)
Liabilities no longer required written back	(0.82)	(29.53)
Gain on extinguishment of borrowings under one time settlement	(662.72)	(864.53)
Loss / (Profit) on disposal of property, plant & equipment (net)	0.67	(0.04)
Gain on lease termination/concession	-	(8.46)
Interest on income tax refund	-	(42.30)
Interest on deposits and others	(14.26)	(16.02)
Finance costs	13.25	20.39
<b>Operating (loss) before working capital changes</b>	<b>(168.11)</b>	<b>(320.67)</b>
<b>Movement in working capital:</b>		
Decrease in loans	902.21	818.28
Decrease / (Increase) in other financial assets	168.53	(160.76)
Decrease in other non-financial assets	8.40	8.56
Increase / (Decrease) in other financial liabilities	8.46	(152.27)
(Decrease) in provisions	(0.13)	(1.51)
Increase in other non-financial liabilities	12.85	10.37
<b>Cash flow from operations</b>	<b>932.21</b>	<b>202.00</b>
Taxes refund / adjustment (net)	22.23	454.02
<b>Net cash flow from operating activities (A)</b>	<b>954.44</b>	<b>656.02</b>
<b>Cash flow from investing activities</b>		
(Purchase)/sale of property, plant and equipment and intangible assets (net)	(8.30)	(13.94)
Recognition of non-current assets held for sale	-	(107.03)
Fixed deposits (free from lien)	(29.70)	1.13
Interest Income	14.26	16.02
<b>Net cash used in investing activities (B)</b>	<b>(23.74)</b>	<b>(103.82)</b>
<b>Cash flow from financing activities</b>		
Repayments/ settlements of secured loans	(782.11)	(459.76)
Payment of principal portion of lease liabilities	(14.39)	(15.61)
Payment of interest portion of lease liabilities	(8.22)	(13.44)
Finance costs	(3.83)	(6.17)
<b>Net cash used in financing activities (C)</b>	<b>(808.55)</b>	<b>(494.98)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>122.15</b>	<b>57.22</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>291.30</b>	<b>234.08</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>413.45</b>	<b>291.30</b>

**Notes:**

- The above Consolidated Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind - AS) - 7 'Statement of Cash Flows'
- Cash and cash equivalents in the consolidated balance sheet comprises of Cash in hand, Balances with Banks and Drafts on hand.

Cash on hand	19.88	14.87
Balances with banks:		
- in current accounts	121.76	202.13
- in term deposits having original maturity of 3 months or less	-	74.30
Drafts on hand	271.81	-
	<b>413.45</b>	<b>291.30</b>

The accompanying notes 1 to 32 form an integral part of the consolidated financial statements.

As per our report of even date

**For S. P. Chopra & Co.**  
**Chartered Accountants**  
Firm Registration No. 000346N

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

(Gautam Bhutani)  
Partner  
Membership No.: 524485

(Sanjeev Goel)  
Managing Director  
DIN: 00028702

(S.K. Goel)  
Director  
DIN: 00963735

Place: New Delhi  
Date: 28 May, 2022

(Vandana Das)  
Company Secretary  
M. No. ACS - 53952  
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## Consolidated Statement of Changes in Equity for the year ended 31 March, 2022

(Amount in INR lakhs, unless otherwise stated)

### (A) Equity Share Capital

#### For the year ended 31 March, 2022

Balance as at 01 April, 2021	Changes in equity share capital during the year	Balance as at 31 March, 2022
1,836.63	-	1,836.63

#### For the year ended 31 March, 2021

Balance as at 01 April, 2020	Changes in equity share capital during the year	Balance as at 31 March, 2021
1,836.63	-	1,836.63

### (B) Other Equity

Particulars	Reserves & Surplus				Other Items of Other Comprehensive Income - Re-measurement gains/ (losses) on defined benefit plan	Total
	Statutory Reserve as per Section 45- IC of RBI Act, 1934	Securities Premium	Retained Earnings	Impairment Reserve (Refer note 32.17)		
Balance as at 1 April, 2021	1,796.68	8,843.84	(7,968.86)	2,073.47	5.13	4,750.26
Profit for the year	-	-	227.16	-	-	227.16
Other Comprehensive loss	-	-	-	-	(7.09)	(7.09)
<b>Total Comprehensive Income for the year</b>	-	-	<b>227.16</b>	-	<b>(7.09)</b>	<b>220.07</b>
Appropriation during the year	71.82	-	(324.79)	252.97	-	-
<b>Balance as at 31 March, 2022</b>	<b>1,868.50</b>	<b>8,843.84</b>	<b>(8,066.48)</b>	<b>2,326.44</b>	<b>(1.96)</b>	<b>4,970.34</b>

Particulars	Reserves & Surplus				Other Items of Other Comprehensive Income - Re-measurement gains/ (losses) on defined benefit plan	Total
	Statutory Reserve as per Section 45- IC of RBI Act, 1934	Securities Premium	Retained Earnings	Impairment Reserve (Refer note 32.17)		
Balance as at 1 April, 2020	1,415.96	8,843.84	(7,294.06)	-	2.41	2,968.15
Profit for the year	-	-	1,779.38	-	-	1,779.38
Other Comprehensive Income	-	-	-	-	2.72	2.72
<b>Total Comprehensive Income for the year</b>	-	-	<b>1,779.38</b>	-	<b>2.72</b>	<b>1,782.10</b>
Appropriation during the year	380.72	-	(2,454.19)	2,073.47	-	-
<b>Balance as at 31 March, 2021</b>	<b>1,796.68</b>	<b>8,843.84</b>	<b>(7,968.86)</b>	<b>2,073.47</b>	<b>5.13</b>	<b>4,750.26</b>

The accompanying notes 1 to 32 form an integral part of the consolidated financial statements.

As per our report of even date

**For S. P. Chopra & Co.**  
**Chartered Accountants**  
Firm Registration No. 000346N

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

**(Gautam Bhutani)**  
Partner  
Membership No.: 524485

**(Sanjeev Goel)**  
Managing Director  
DIN: 00028702

**(S.K. Goel)**  
Director  
DIN: 00963735

Place: New Delhi  
Date: 28 May, 2022

**(Vandana Das)**  
Company Secretary  
M. No. ACS – 53952



## Notes to Consolidated Financial Statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

### 1. COMPANY INFORMATION

**Intec Capital Limited** (the 'Holding Company') incorporated in India on 15 February, 1994, was registered with the Reserve Bank of India ('RBI') as a Non-Banking Financial Company ('NBFC') vide Certificate No. B-14.00731 dated 04 May, 1998 in the name of Intec Securities Limited. Subsequently, due to change in name of the Company, the Company received a revised Certificate of Registration ('CoR') in the name of Intec Capital Limited on 04 November, 2009 under Section 45-1A of the Reserve Bank of India Act, 1934. Equity shares of the Company are listed on the Bombay Stock Exchange Limited (BSE).

The Holding Company, has one Subsidiary company namely Amulet Technologies Limited (the 'Subsidiary'), incorporated in India, which has the objectives of providing consultancy, advisory and the related services in the area of Information technology, however, it is yet to commence business.

The accompanying Consolidated Financial Statements relate to Intec Capital Limited (the 'Holding Company') and its Subsidiary company (the Holding Company and its Subsidiary together referred as the 'Group')

The consolidated financial statements for the year ended 31 March, 2022, were approved by the Board of Directors and authorized for issue on 28 May, 2022, and recommended for consideration and adoption by the shareholders in their ensuing Annual General Meeting.

### 2. BASIS OF PREPARATION

#### 2.1 Compliance with Indian Accounting Standards (Ind – AS):

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015, and the other relevant provisions of the Companies Act, 2013 (the 'Act'), and the Master Direction – Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Non-Banking Financial Company (the 'NBFC Regulations') issued by RBI, as amended from time to time. The notified Indian Accounting Standards (Ind AS)

are followed by the Group in so far as they are not inconsistent with the NBFC Regulations.

The consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

#### 2.2 Presentation of Consolidated financial statements:

The Group presents its Balance Sheet in order of liquidity. The Group generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Group offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically unless they are material in nature.

#### 2.3 Historical Cost Convention

The consolidated financial statements have been prepared on a historical cost basis, except, certain financial assets and liabilities, measured at fair value.

#### 2.4 Functional and present currency

The consolidated financial statements are prepared in Indian Rupees ('Rs.'), which is the Group's functional and presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest lakhs with two decimal places, unless stated otherwise.

#### 2.5 Critical Accounting Estimates and Judgements

The preparation of consolidated financial statements in conformity with Ind AS requires the management to make use of estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of consolidated financial statements, and the reported amount of revenues and expenses during the reporting period. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from

## Notes to Consolidated Financial Statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

those on which the Management's estimates are based.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are given below.

- Fair value of financial instruments

Fair value of financial instruments is required to be estimated for financial reporting purposes. The Group applies appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Group uses quoted prices and market-observable data to the extent it is available. When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, based on the inputs to these models taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

- Impairment of financial assets – Expected Credit Loss

The measurement of impairment loss allowance for financial asset measured at amortised cost requires use of statistical models, significant assumptions about future economic conditions and credit behavior (e.g. likelihood of borrowers defaulting and resulting losses). In estimating the cash flows expected to be recovered from credit impaired loans, the Group makes judgements about the borrower's financial situation, current status of the project, net realisable value of securities/ collateral etc. As these estimates are based on various assumptions, actual results may vary leading to changes to the impairment loss allowance. Further, judgement is also made in identifying the default and significant increase in credit risk

(SICR) on financial assets as well as for homogeneous grouping of similar financial assets. Impairment assessment also takes into account the data from the loan portfolio, levels of arrears and an analysis of historical defaults.

- Non recognition of income on Credit Impaired Loans

As a matter of prudence, income on credit impaired loans is recognised as and when received and / or on accrual basis when expected realization is higher than the gross loan amount outstanding.

- Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

- Useful life of property, plant and equipment

The Property, Plant and Equipment are depreciated on straight line method over their respective useful lives. Management estimates the useful lives of these assets as detailed in Note 4.4 below. Changes in the expected level of usage, technological developments, level of wear and tear could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised and could have an impact on the financial position in future years.

**Notes to Consolidated Financial Statements for the year ended 31 March, 2022**

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

**3 BASIS OF CONSOLIDATION**
**3.1 Basis of Accounting:**

- i. The financial statements of the Subsidiary Company are drawn up to the same reporting date as of the Holding Company.
- ii. The Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standard - 110 on "Consolidated Financial Statements".

Name of Company	Country of Incorporation	Proportion (%) of Shareholding as on 31 March, 2022	Proportion (%) of Shareholding as on 31 March, 2021
<b>Holding Company</b>			
Intec Capital Limited	India	N.A.	N.A.
<b>Subsidiary Company</b>			
Amulet Technologies Limited	India	99.998%	99.998%

**3.2 Principles of Consolidation:**

- i. The financial statements of the Holding Company and its Subsidiary have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating the intra-group balances and intra-group transactions and unrealized profits or losses in accordance with Indian Accounting Standard - 110 on "Consolidated Financial Statements".
- ii. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Holding Company's separate financial statements except as otherwise stated in the Significant Accounting Policies.
- iii. The difference between the cost of investment in the Subsidiary over the net assets at the time of acquisition of shares in the Subsidiary is recognized in the Consolidated Financial Statements as Goodwill or Capital Reserve as the case may be.

The Consolidated Financial Statements includes the results of following entities:

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**4.1 Revenue Recognition**
**(i) Interest Income**

The Holding Company recognises interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortised cost or fair value through other comprehensive income (FVOCI). EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments / receipts through the expected life of the financial asset / financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

The Holding Company recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets after setting-off of collateral amounts. In case of credit-impaired financial assets regarded as 'stage 3', the Holding Company recognises interest income on the amortised cost net of impairment loss of the financial asset at EIR, to the extent of probability of its recovery. If the financial asset is no longer

## Notes to Consolidated Financial Statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

credit-impaired, the Holding Company reverts to calculating interest income on a gross basis.

Interest on financial assets subsequently measured at fair value through profit and loss, is recognized on accrual basis in accordance with the terms of the respective contract.

### (ii) Dividend Income

Dividend Income on investments is recognized when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

### (iii) Fees and Commission

Processing fees and other servicing fees is recognized on accrual basis. The Group recognises service and administration charges towards rendering of additional services to its loan customers on satisfactory completion of service delivery. Fees on value added services and products are recognised on rendering of services and products to the customer.

### (iv) Interest on Borrowings

Interest expense on borrowings subsequently measured at amortized cost is recognized using Effective Interest Rate (EIR) method.

### (v) Recoveries of Financial Assets written off

The Holding Company recognises income on recoveries of financial assets written off on realisation or when the right to receive the same without any uncertainties of recovery is established.

### (vi) Sale of Loan Assets

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

### (vii) Other Income / Revenue

Other income / revenue is recognized

to the extent that it is probable that the economic benefit will flow to the Company and it can be reliably measured.

## 4.2 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## 4.3 Financial Instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and payables, loan receivables, investments in subsidiaries and associates, borrowings, cash and cash equivalents, other bank balances etc. are some examples of financial instruments.

All the financial instruments are recognised on the date when the Company becomes party to the contractual provisions of the financial instruments.

### (i) Financial assets

Financial assets include cash, or an equity instrument of another entity, or a contractual right to receive cash or another financial asset from another entity. Few examples of financial assets are loan receivables, investment in equity instruments, trade receivables and cash and cash equivalents etc.

#### Initial measurement

All financial assets are recognised initially at fair value including transaction costs that are attributable to the acquisition of financial assets except in the case of financial assets recorded at FVTPL where the transaction costs are charged to profit or loss.

#### Subsequent measurement

### (i) Classification and Measurement of Financial assets (other than Equity instruments)

For the purpose of subsequent measurement, financial assets (other

## Notes to Consolidated Financial Statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

than equity instruments) are classified into three categories:

- (a) Financial Assets at amortised cost
- (b) Financial Assets at FVOCI
- (c) Financial Assets at FVTPL

**(a) Financial Assets at amortised cost**

The Group measures its financial assets at amortised cost if both the following conditions are met:

- The asset is held within a business model of collecting contractual cash flows; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Sole Payments of Principal and Interest (SPPI) on the principal amount outstanding.

To make the SPPI assessment, the Company applies judgment and considers relevant factors such as the nature of portfolio and the period for which the interest rate is set.

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated financial assets going forward.

The business model of the Group for assets subsequently measured at amortised cost category is to hold and collect contractual cash flows. However, considering the economic viability of carrying the delinquent portfolios in the books of the Group, it may sell these portfolios to banks and/or asset reconstruction companies.

After initial measurement, such financial

assets are subsequently measured at amortised cost on effective interest rate (EIR) as given in para 4.1.(i) above.

**(b) Financial Assets at FVOCI**

The Group subsequently classifies its financial assets as FVOCI, only if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Financial Assets included within the FVOCI category are measured at each reporting date at fair value with such changes being recognised in other comprehensive income (OCI). The interest income on these assets is recognised in profit or loss.

On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to profit or loss.

**(c) Financial Assets at FVTPL**

The Group classifies financial assets which are held for trading under FVTPL category. Held for trading assets are recorded and measured in the Balance Sheet at fair value. Interest and dividend incomes are recorded in interest income and dividend income, respectively according to the terms of the contract, or when the right to receive the same has been established. Gain and losses on changes in fair value of financial assets are recognised on net basis through profit or loss.

Term / fixed deposits held by the Group have been classified under this category



## Notes to Consolidated Financial Statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

### (ii) Classification and Measurement of Equity instruments

All equity investments other than in subsidiaries and associates are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company at initial recognition makes an irrevocable election to classify it as either FVTOCI or FVTPL. The Group makes such election on an instrument by instrument basis. An equity investment classified as FVTOCI is initially measured at fair value plus transaction costs. Subsequently, it is measured at fair value and, all fair value changes are recognised in Other Comprehensive Income (OCI) and accumulated in Reserve. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Group transfers the same within equity. As at the reporting date, there are no such equity instruments held by the Group.

### (iii) Derecognition of Financial Assets

The Group derecognises a financial asset (or, where applicable, a part of a financial asset) when:

- The right to receive cash flows from the asset have expired; or
- The Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under an assignment arrangement and the Group has transferred substantially all the risks and rewards of the asset. Once the asset is derecognised, the Group does not have any continuing involvement in the same.

The Group transfers its financial assets through the partial assignment route and accordingly derecognises the transferred portion as it neither has any continuing involvement in the same nor does it retain any control. If the Group retains the right to service the financial asset for a fee, it

recognises either a servicing asset or a servicing liability for that servicing contract. A service liability in respect of a service is recognised at fair value if the fee to be received is not expected to compensate the Group adequately for performing the service. If the fees to be received is expected to be more than adequate compensation for the servicing, a service asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

On derecognition of a financial asset in its entirety, the difference between:

- the carrying amount (measured at the date of derecognition) and
- the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

### (iv) Impairment of financial assets

Expected Credit Loss (ECL) are recognised for financial assets held under amortised cost, measured at FVOCI, and certain loan commitments.

Financial assets where no significant increase in credit risk has been observed are considered to be in 'stage 1' and for which a 12-month ECL is recognised. Financial assets that are considered to have significant increase in credit risk are considered to be in 'stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'stage 3'. Lifetime ECL is recognised for stage 2 and stage 3 financial assets.

At initial recognition, allowance (or provision in the case of loan commitments) is required for ECL towards default events that are possible in the next 12 months, or less, where the remaining life is less than 12 months.

In the event of a significant increase in credit risk, allowance (or provision) is



## Notes to Consolidated Financial Statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

required for ECL towards all possible default events over the expected life of the financial instrument ('lifetime ECL').

Financial assets (and the related impairment loss allowances) are written off in full, when there is no realistic prospect of recovery.

### **Treatment of the different stages of financial assets and the methodology of determination of ECL**

#### (a) Credit impaired (stage 3)

The Group recognises a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether:

- Contractual payments of either principal or interest are past due for more than 180 days;
- The loan is otherwise considered to be in default.  
Restructured loans, where repayment terms are renegotiated as compared to the original contracted terms due to significant credit distress of the borrower, are classified as credit impaired. Such loans continue to be in stage 3 until they exhibit regular payment of renegotiated principal and interest over a minimum observation period, typically 12 months – post renegotiation, and there are no other indicators of impairment. Having satisfied the conditions of timely payment over the observation period these loans could be transferred to stage 1 or 2 and a fresh assessment of the risk of default be done for such loans.

Interest income is recognised by applying the EIR to the net amortised cost amount i.e. gross carrying amount less ECL allowance.

#### (b) Significant increase in credit risk (stage 2)

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting

period by considering the change in the risk of default of the loan exposure. However, unless identified at an earlier stage, 90 days past due is considered as an indication of financial assets to have suffered a significant increase in credit risk.

The measurement of risk of defaults under stage 2 is computed on homogenous portfolios, generally by nature of loans, tenors, underlying collateral, geographies and borrower profiles. The default risk is assessed using PD (probability of default) derived from past behavioural trends of default across the identified homogenous portfolios. These past trends factor in the past customer behavioural trends, credit transition probabilities and macroeconomic conditions. The assessed PDs are then aligned considering future economic conditions that are determined to have a bearing on ECL.

#### (c) Without significant increase in credit risk since initial recognition (stage 1)

ECL resulting from default events that are possible in the next 12 months are recognised for financial instruments in stage 1. The Holding Company has ascertained default possibilities on past behavioural trends witnessed for each homogenous portfolio using application/behavioural score cards and other performance indicators, determined statistically.

#### (d) Measurement of ECL

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL takes into account the time value of money. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated

## Notes to Consolidated Financial Statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

a linkage to the performance of our portfolios over a period of time have been applied to determine impact of macro-economic factors.

The Holding Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money using a rate which is a reasonable approximation of EIR.

- Determination of PD is covered above for each stage of ECL.
- EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.
- LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

A more detailed description of the methodology used for ECL is covered in the 'credit risk' section of note no. 32.16.

### (ii) Financial liabilities

Financial liabilities include liabilities that represent a contractual obligation to deliver cash or another financial assets to another entity, or a contract that may or will be settled in the entities own equity instruments. Few examples of financial liabilities are trade payables, borrowings etc.

#### Initial measurement

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include

trade payables, borrowings and other payables.

#### Subsequent measurement

After initial recognition, all financial liabilities are subsequently measured at amortised cost using the EIR [Refer note no. 4.1(i)]. Any gains or losses arising on derecognition of liabilities are recognised in the Statement of Profit and Loss.

#### Derecognition

The Group derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

### (iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet only if there is an enforceable legal right to offset the recognised amounts with an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

## 4.4 Property plant and equipment

- Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any, consistent with the criteria specified in Ind AS 16 'Property, Plant and Equipment'. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.
- Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost

**Notes to Consolidated Financial Statements for the year ended 31 March, 2022**

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

- of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.
- (iii) An item of PPE and any significantly part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.
- (iv) Depreciation on property, plant and equipment is provided on straight-line method over the useful life of the assets estimated by the management, in the manner prescribed in Schedule II of the Companies Act, 2013. Immovable assets at the leased premises including civil works, fixtures and electrical items etc. are capitalized as leasehold improvements and are amortized over the primary period of lease subject to maximum of two years. The useful lives in the following case is different from those prescribed in Schedule II of the Companies Act, 2013.

Asset	Useful life as per Schedule II of the Companies Act, 2013 (No. of Years)	Useful life as assessed / estimated by the Company (No. of Years)
Electrical installations	10	8

Based on usage pattern and internal assessment, the management believes that the useful lives as given above best represent the period over which the management expects to use these assets. Hence the useful lives of these assets is different from the lives as prescribed in Schedule II of the Companies Act, 2013

- (v) Depreciation on addition or on sale / discard of an asset is calculated pro-rata from / up to the date of such addition or sale/discard.

- (vi) The residual values, useful lives and methods of depreciation of Plant, property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**4.5 Intangible Assets and amortization thereof**

- (i) Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to assets will flow to the Group and the costs of the assets can be measured reliably. Intangible assets comprising computer software are carried at cost less amortization and accumulated impairment, if any. Computer software including improvements are amortised over the management's estimate of the useful life of such intangibles. Management estimates for useful life of intangibles is 6 years.
- (ii) An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognized.

**4.6 Employee Benefits:**
**(i) Short term employee benefits:**

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

**(ii) Defined contribution plan:**

Contributions towards Employees' Provident Fund and State Insurance Scheme, are considered as defined contribution plans and the contributions are charged to the Statement of Profit and Loss for the year when the expense is actually incurred.

## Notes to Consolidated Financial Statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

### (ii) Other long-term employee benefits:

Entitlements to annual leave are recognized when they accrue to employees. Leave entitlements can be availed while in service of employment subject to restriction on the maximum number of accumulations. The Holding Company determines the liability for such accumulated leave entitlements on the basis of actuarial valuation carried out by an independent actuary at the year end.

### (iii) Defined benefit plan:

The Holding Company's gratuity scheme is a defined benefit plan. The plan provides for a lump sum payment to vested employees on retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation on projected unit credit method as at the balance sheet date. Re-measurement, comprising of actuarial gains and losses, are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods. Liability towards Gratuity is funded / managed by Life Insurance Corporation of India ('LIC'). The short / excess of the Gratuity liability as compared to the net fund held by LIC is accounted for as liability/ assets as at the year end

## 4.7 Taxation

Tax expense for the year comprises of Current Tax and Deferred Tax.

### a. **Current Tax**

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the tax

regime inserted by the Taxation Laws (Amendment) Act, 2019 in the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.

Current tax relating to items recognized outside profit or loss is recognized in correlation to the underlying transactions either in OCI or directly in other equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which the applicable tax regulations are subject to interpretation and establishes provisions where applicable.

### b. **Deferred Tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

## Notes to Consolidated Financial Statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

### 4.8 Provision, contingent liabilities and contingent assets

#### a) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation, at the balances sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### b) Contingent Liabilities

A disclosure for a contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation arising as a result of past event that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

#### c) Contingent Assets

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

### 4.9 Earnings per share

Basic earnings per equity share is computed by dividing net profit/ loss attributable to the equity shareholders of the Group by the weighted average number of equity shares outstanding during the financial year.

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

### 4.10 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Group has taken certain assets on Operating Lease. Operating Lease is a contract, which conveys the right to Lessee, to control the use of an identified asset for a period of time, the lease term, in exchange for consideration. The Group assesses whether a contract is, or contains, a lease on inception.

The lease term is either the non-cancellable period of the lease and any additional periods when there is an enforceable option to extend the lease and it is reasonably certain that the Group will extend the term, or a lease period in which it is reasonably certain that the Group will not exercise a right to terminate. The lease term is reassessed if there is a significant change in circumstances.

At commencement, or on the modification, of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially

## Notes to Consolidated Financial Statements for the year ended 31 March, 2022

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measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is amortised / depreciated using straight-line method from the commencement date to the end of the lease term. If the lessor transfers ownership of the underlying asset to the Group by the end of the lease term or if the Company expects to exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as the Group's other property, plant and equipment. Right-of-use assets are reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the total lease payments due on the commencement date, discounted using either the interest rate implicit in the lease, if readily determinable, or more usually, an estimate of the Group's incremental borrowing rate on the inception date for a loan with similar terms to the lease. The incremental borrowing rate is estimated by obtaining interest rates from various external financing sources.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

In accordance with Ind AS 116, the Group

does not recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases i.e. leases with a lease term of 12 months or less and containing no purchase options. Payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

### 4.11 Statement of Cash flows:

For the purpose of Consolidated Statement of Cash Flows, cash and cash equivalents comprise cash on hand, cash at banks, short-term deposits with an original maturity of three months or less and other short term investments, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 4.12 Impairment of Non-Financial Assets

The Group assesses, at each reporting date, using external and internal sources, whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous period/s. If any indication exists, or when annual impairment testing for an asset is required, the Group determines the recoverable amount and impairment loss is recognised when the carrying value of an asset exceeds its recoverable amount.

The recoverable amount is determined:

- in the case of an individual asset, at the higher of the asset's fair value less cost of sell and value in use; and
- in the case of cash generating unit (a group of assets that generates identified, independent cash flows) at the higher of the cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that effects current market assessments of the time value of money and the risks specific to that asset. In determining fair value less costs of disposal, recent market transactions are taken



## Notes to Consolidated Financial Statements for the year ended 31 March, 2022

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into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An impairment loss for an asset is reversed, if and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized, the carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss being recognized for the asset in prior year/s.

### 4.13 Fair value measurement

The Group measures its qualifying financial instruments at fair value on each Balance Sheet date.

Fair value is the price that would be received against sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the accessible principal market or

the most advantageous accessible market as applicable.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into Level I, Level II and Level III based on the lowest level input that is significant to the fair value measurement as a whole. For a detailed information on the fair value hierarchy, refer note no. 32.15.

For assets and liabilities that are fair valued in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

## Notes to Consolidated Financial Statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

5	Cash and cash equivalents	As at 31 March, 2022	As at 31 March, 2021
	Cash on hand	19.88	14.87
	Balances with banks:		
	- in current accounts	121.76	202.13
	- in term deposits having original maturity of 3 months or less	-	74.30
	Drafts on Hand	271.81	-
	<b>Total</b>	<b>413.45</b>	<b>291.30</b>
6	Bank balances other than Cash and cash equivalents	As at 31 March, 2022	As at 31 March, 2021
	Balances with banks:		
	- in unpaid dividend account	32.13	2.43
	<b>Total</b>	<b>32.13</b>	<b>2.43</b>
7	Loans	As at 31 March, 2022	As at 31 March, 2021
	At amortised cost		
	a. Secured term loans	16,017.91	16,915.96
	b. Unsecured term loans	2,339.20	2,392.60
	<b>Total - Gross</b>	<b>18,357.11</b>	<b>19,308.56</b>
	Less: Impairment loss allowance	11,781.92	11,633.55
	<b>Total - Net</b>	<b>6,575.19</b>	<b>7,675.01</b>
7.1	Break-up of Secured/Unsecured loans		
a.	Secured by Tangible assets	16,017.91	16,915.96
	Less: Impairment loss allowance	9,846.58	9,671.65
	<b>Secured - net</b>	<b>6,171.33</b>	<b>7,244.31</b>
b.	Unsecured	2,339.20	2,392.60
	Less: Impairment loss allowance	1,935.34	1,961.90
	<b>Unsecured - net</b>	<b>403.86</b>	<b>430.70</b>
	<b>Total (a+b)</b>	<b>6,575.19</b>	<b>7,675.01</b>
7.2	Break-up of Loans In India/Outside India		
a.	Loans in India		
	i. Public Sector	-	-
	ii. Others	18,357.11	19,308.56
	Less: Impairment loss allowance	11,781.92	11,633.55
		6,575.19	7,675.01
b.	Loans outside India	-	-
	<b>Total (a+b)</b>	<b>6,575.19</b>	<b>7,675.01</b>

### Notes to Consolidated Financial Statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

#### 7.3 Summary of loans by stage distribution

Particulars	As at 31 March, 2022				As at 31 March, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	88.86	180.17	18,088.08	18,357.11	192.41	264.89	18,851.26	19,308.56
Less: Impairment loss allowance	0.09	-	11,781.83	11,781.92	0.95	0.23	11,632.37	11,633.55
<b>Net carrying amount</b>	<b>88.77</b>	<b>180.17</b>	<b>6,306.25</b>	<b>6,575.19</b>	<b>191.46</b>	<b>264.66</b>	<b>7,218.89</b>	<b>7,675.01</b>

#### 7.4 Analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to loans is as follows

Particulars	As at 31 March, 2022						Total		
	Stage 1		Stage 2		Stage 3		Term loans (gross)		Impairment loss allowance
<b>As at 31 March, 2021</b>	<b>192.41</b>	<b>0.95</b>	<b>264.89</b>	<b>0.23</b>	<b>18,851.26</b>	<b>11,632.37</b>	<b>19,308.56</b>	<b>11,633.55</b>	
Transfers during the year									
to Stage 1	45.72	-	-	-	(45.72)	-	-	-	-
to Stage 2	(10.77)	-	10.77	-	-	-	-	-	-
to Stage 3	(83.90)	(0.10)	(22.28)	(0.11)	106.18	0.21	-	-	-
<b>Total transfers</b>	<b>(48.95)</b>	<b>(0.10)</b>	<b>(11.51)</b>	<b>(0.11)</b>	<b>60.46</b>	<b>0.21</b>	<b>-</b>	<b>-</b>	<b>-</b>
Impact of changes in credit risk on account of stage movements	-	-	-	-	-	74.36	-	-	74.36
Changes in opening credit exposures	(54.60)	(0.76)	(73.21)	(0.11)	(823.64)	74.89	(951.45)	74.01	
New credit exposures during the year, net of repayments	-	-	-	-	-	-	-	-	-
Amounts written off during the year	-	-	-	-	-	-	-	-	-
<b>As at 31 March, 2022</b>	<b>88.86</b>	<b>0.09</b>	<b>180.17</b>	<b>0.01</b>	<b>18,088.08</b>	<b>11,781.83</b>	<b>18,357.11</b>	<b>11,781.92</b>	

## Notes to Consolidated Financial Statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

Analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to loans is as follows

Particulars	As at 31 March, 2021					
	Stage 1		Stage 2		Stage 3	
	Term loans (gross)	Impairment loss allowance	Term loans (gross)	Impairment loss allowance	Term loans (gross)	Impairment loss allowance
<b>As at 31 March, 2020</b>	<b>1,732.52</b>	<b>52.63</b>	<b>500.31</b>	<b>13.65</b>	<b>17,979.76</b>	<b>13,668.33</b>
Transfers during the year						
to Stage 1	-	-	-	-	-	-
to Stage 2	(371.25)	(3.13)	371.25	3.13	-	-
to Stage 3	(1,141.17)	(26.29)	(500.31)	(13.65)	1,641.48	39.94
<b>Total transfers</b>	<b>(1,512.42)</b>	<b>(29.42)</b>	<b>(129.06)</b>	<b>(10.52)</b>	<b>1,641.48</b>	<b>39.94</b>
Impact of changes in credit risk on account of stage movements	-	-	-	-	-	371.34
Changes in opening credit exposures	(27.69)	(22.26)	(106.36)	(2.90)	(769.98)	(2,447.24)
New credit exposures during the year, net of repayments	-	-	-	-	-	-
Amounts written off during the year	-	-	-	-	-	-
<b>As at 31 March, 2021</b>	<b>192.41</b>	<b>0.95</b>	<b>264.89</b>	<b>0.23</b>	<b>18,851.26</b>	<b>11,632.37</b>
					<b>19,308.56</b>	<b>11,633.55</b>

**Notes to Consolidated Financial Statements for the year ended 31 March, 2022**

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

<b>8</b>	<b>Investments</b>	<b>As at 31 March, 2022</b>	<b>As at 31 March, 2021</b>
	<b>Investment in Equity Instruments</b>		
	(At amortised cost)		
	- Pantec Devices Private Limited	1.16	1.16
	- Pantec Consultants Private Limited	1.01	1.01
	- Intec Worldwide Private Limited	0.86	0.86
	- Spherical Collection Agency (P) Ltd.	1.11	1.11
	- Intec Share & Stock Brokers Limited	2.26	2.26
	- Spectacle Advisory Solutions Pvt. Ltd.	0.44	0.44
	<b>Total Investments</b>	<b>6.84</b>	<b>6.84</b>
	Out of above		
	In India	6.84	6.84
	Outside India	-	-
<b>9</b>	<b>Other financial assets</b>	<b>As at 31 March, 2022</b>	<b>As at 31 March, 2021</b>
	Term deposits having original maturity of more than 12 months	-	10.00
	Security deposits	11.07	11.68
	Interest accrued but not due on term deposits	-	1.17
	Interest accrued and due on loans	1,375.21	1,559.85
	Interest accrued but not due on loans	0.75	10.06
	Advances to employees	2.69	1.23
	Advances to parties	-	212.88
	Less: Impairment on advances to parties	-	(212.00)
	Balance with government authorities	135.27	115.01
	Other advances	130.68	124.97
	<b>Total</b>	<b>1,655.67</b>	<b>1,834.85</b>
<b>10</b>	<b>Current tax assets (net)</b>	<b>As at 31 March, 2022</b>	<b>As at 31 March, 2021</b>
	Advance Income Taxes (net of provision of tax)	5.70	27.93
	<b>Total</b>	<b>5.70</b>	<b>27.93</b>
<b>11</b>	<b>Deferred tax assets (net)</b>	<b>As at 31 March, 2022</b>	<b>As at 31 March, 2021</b>
<b>i.</b>	<b>Reconciliation of tax expenses and profit/loss before tax multiplied by corporate tax rate</b>		
	Profit before tax	242.08	2,565.55
	At corporate tax rate of 25.168%	-	-
	Tax on timing differences	14.92	755.85
	Earlier year tax	-	30.32
	<b>Tax expense</b>	<b>14.92</b>	<b>786.17</b>

## Notes to Consolidated Financial Statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

ii.	Deferred tax assets recorded in Balance Sheet	As at 31 March, 2022	As at 31 March, 2021
	<u>Deferred tax assets:</u>		
	- Impairment on financial instruments	2,965.27	2,927.93
	- Lease liabilities	27.96	26.76
	- Depreciation and amortisation	9.35	8.85
	- Other temporary differences	-	53.35
	<b>Gross deferred tax assets</b>	<b>3,002.58</b>	<b>3,016.89</b>
	<u>Deferred tax liabilities:</u>		
	- Right-of-use assets	23.98	23.57
	- Financial instruments measured at EIR	190.16	189.49
	- Provision for employee benefits	1.21	4.06
	<b>Gross deferred tax liabilities</b>	<b>215.35</b>	<b>217.12</b>
	<b>Deferred tax assets (net)</b>	<b>2,787.23</b>	<b>2,799.77</b>

iii.	Changes in deferred tax assets recorded in profit or loss	As at 31 March, 2022	As at 31 March, 2021
	<u>Deferred tax relates to the following:</u>		
	- Impairment on financial instruments	(37.34)	643.06
	- Financial instruments measured at EIR	0.67	111.86
	- Depreciation and amortisation	(0.50)	0.21
	- Right-of-use assets	0.41	2.83
	- Lease liabilities	(1.20)	(2.81)
	- Provision for employee benefits	(0.47)	(1.07)
	- Other temporary differences	53.35	1.77
		<b>14.92</b>	<b>755.85</b>

iv.	Changes in deferred tax assets recorded in other comprehensive income	As at 31 March, 2022	As at 31 March, 2021
	<u>Deferred tax relates to the following:</u>		
	- Re-measurement gains on defined benefit plan (net of tax)	2.38	(0.95)
		<b>2.38</b>	<b>(0.95)</b>
	<b>Total</b>	<b>12.54</b>	<b>756.80</b>

## 12 Property, Plant and Equipment and Capital work-in-progress (As at 31 March, 2022)

Particulars	Gross block				Accumulated depreciation				Net Block	
	As at 01 April, 2021	Addi- tions	Deduc- tions / adjust- ments	As at 31 March, 2022	As at 01 April, 2021	Depreci- ation	Deduc- tions / adjust- ments	As at 31 March, 2022	As at 31 March, 2022	As at 31 March, 2021
<b>a. Tangible assets</b>										
Vehicles	46.94	-	-	46.94	27.29	9.10	-	36.39	10.55	19.65
Building	377.28	-	-	377.28	37.02	12.34	-	49.36	327.92	340.27
Office equipment	9.65	1.33	1.34	9.64	6.74	1.82	1.26	7.30	2.34	2.91
Data processing equipments	40.54	5.58	13.53	32.59	20.92	8.00	12.86	16.06	16.53	19.62
Furniture and fixtures	4.75	-	2.30	2.45	2.13	0.52	2.19	0.46	1.99	2.62



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(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

Particulars	Gross block			Accumulated depreciation				Net Block		
	As at 01 April, 2021	Additions	Deductions / adjustments	As at 31 March, 2022	As at 01 April, 2021	Depreciation	Deductions / adjustments	As at 31 March, 2022	As at 31 March, 2022	As at 31 March, 2021
Leasehold improvements	1.09	-	-	1.09	0.98	-	-	0.98	0.11	0.11
Electric installations	1.45	-	0.68	0.77	0.67	0.12	0.62	0.17	0.60	0.78
Air conditioners	3.79	0.86	-	4.65	1.99	0.54	-	2.53	2.12	1.80
Land	888.81	-	-	888.81	-	-	-	-	888.81	888.81
<b>Total (a)</b>	<b>1,374.30</b>	<b>7.77</b>	<b>17.85</b>	<b>1,364.22</b>	<b>97.74</b>	<b>32.44</b>	<b>16.93</b>	<b>113.25</b>	<b>1,250.97</b>	<b>1,276.56</b>
<b>b. Capital Work in Progress (note 12.2)</b>	<b>0.35</b>	<b>-</b>	<b>-</b>	<b>0.35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.35</b>	<b>0.35</b>
<b>Grand Total - Current's Year</b>	<b>1,374.65</b>	<b>7.77</b>	<b>17.85</b>	<b>1,364.57</b>	<b>97.74</b>	<b>32.44</b>	<b>16.93</b>	<b>113.25</b>	<b>1,251.32</b>	<b>1,276.91</b>

**Property, Plant and Equipment and Capital work-in-progress (As at 31 March, 2021)**

Particulars	Gross block			Accumulated depreciation				Net Block		
	As at 01 April, 2020	Additions	Deductions / adjustments	As at 31 March, 2021	As at 01 April, 2020	Depreciation	Deductions / adjustments	As at 31 March, 2021	As at 31 March, 2021	As at 31 March, 2020
<b>a. Tangible assets</b>										
Vehicles	46.94	-	-	46.94	18.20	9.09	-	27.29	19.65	28.74
Building	377.28	-	-	377.28	24.68	12.34	-	37.02	340.27	352.60
Office equipments	9.13	0.52	-	9.65	5.75	0.99	-	6.74	2.91	3.38
Data processing equipments	34.25	10.74	4.46	40.54	15.18	9.88	4.14	20.92	19.62	19.07
Furniture and fixtures	4.44	1.30	0.99	4.75	2.29	0.78	0.94	2.13	2.62	2.15
Leasehold improvements	1.09	-	-	1.09	0.98	-	-	0.98	0.11	0.11
Electric installations	1.12	0.49	0.16	1.45	0.62	0.19	0.14	0.67	0.78	0.50
Air conditioners	3.79	-	-	3.79	1.33	0.66	-	1.99	1.80	2.46
Land	888.81	-	-	888.81	-	-	-	-	888.81	888.81
<b>Total (a)</b>	<b>1,366.85</b>	<b>13.05</b>	<b>5.61</b>	<b>1,374.30</b>	<b>69.04</b>	<b>33.94</b>	<b>5.22</b>	<b>97.74</b>	<b>1,276.56</b>	<b>1,297.81</b>
<b>b. Capital Work in Progress (note 12.2)</b>	<b>5.19</b>	<b>0.97</b>	<b>5.81</b>	<b>0.35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.35</b>	<b>5.19</b>
<b>Grand Total - Previous Year</b>	<b>1,372.04</b>	<b>14.02</b>	<b>11.42</b>	<b>1,374.65</b>	<b>69.04</b>	<b>33.94</b>	<b>5.22</b>	<b>97.74</b>	<b>1,276.91</b>	<b>1,303.00</b>

12.1 Refer para 4.5 of Significant Accounting Policies for depreciation on property, plant and equipment.

12.2 : Refer note 32.22 for ageing of the Capital Work in Progress.

**13. Intangible Assets (As at 31 March, 2022)**

Particulars	Gross block			Accumulated amortisation				Net Block		
	As at 01 April, 2021	Additions	Deductions / adjustments	As at 31 March, 2022	As at 01 April, 2021	Amortisation	Deductions / adjustments	As at 31 March, 2022	As at 31 March, 2022	As at 31 March, 2021
Computer software	71.09	0.77	-	71.86	44.40	6.11	-	50.51	21.35	26.69
<b>Total</b>	<b>71.09</b>	<b>0.77</b>	<b>-</b>	<b>71.86</b>	<b>44.40</b>	<b>6.11</b>	<b>-</b>	<b>50.51</b>	<b>21.35</b>	<b>26.69</b>

## Notes to Consolidated Financial Statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

### Intangible Assets (As at 31 March, 2021)

Particulars	Gross block				Accumulated amortisation				Net Block	
	As at 01 April, 2020	Additions	Deductions / adjustments	As at 31 March, 2021	As at 01 April, 2020	Amortisation	Deductions / adjustments	As at 31 March, 2021	As at 31 March, 2021	As at 31 March, 2020
Computer software	64.96	6.13	-	71.09	33.14	11.26	-	44.40	26.69	31.82
<b>Total</b>	<b>64.96</b>	<b>6.13</b>	<b>-</b>	<b>71.09</b>	<b>33.14</b>	<b>11.26</b>	<b>-</b>	<b>44.40</b>	<b>26.69</b>	<b>31.82</b>

13.1 : Refer para 4.6 of Significant Accounting Policies for amortisation on intangible assets.

### 14. Right-of-use Assets (As at 31 March, 2022)

Particulars	Gross block				Accumulated amortisation				Net Block	
	As at 01 April, 2021	Additions	Deductions / adjustments	As at 31 March, 2022	As at 01 April, 2021	Amortisation	Deductions / adjustments	As at 31 March, 2022	As at 31 March, 2022	As at 31 March, 2021
Premises	134.05	19.16	-	153.21	40.39	17.53	-	57.92	95.29	93.66
<b>Total</b>	<b>134.05</b>	<b>19.16</b>	<b>-</b>	<b>153.21</b>	<b>40.39</b>	<b>17.53</b>	<b>-</b>	<b>57.92</b>	<b>95.29</b>	<b>93.66</b>

### Right-of-use Assets (As at 31 March, 2021)

Particulars	Gross block				Accumulated amortisation				Net Block	
	As at 01 April, 2020	Additions	Deductions / adjustments	As at 31 March, 2021	As at 01 April, 2020	Amortisation	Deductions / adjustments	As at 31 March, 2021	As at 31 March, 2021	As at 31 March, 2020
Premises	102.93	45.10	13.98	134.05	23.18	24.37	7.16	40.39	93.66	79.75
<b>Total</b>	<b>102.93</b>	<b>45.10</b>	<b>13.98</b>	<b>134.05</b>	<b>23.18</b>	<b>24.37</b>	<b>7.16</b>	<b>40.39</b>	<b>93.66</b>	<b>79.75</b>

14.1 : Refer para 4.5 of Significant Accounting Policies for depreciation of Right-of-use-Asset

15	Other non-financial assets	Note	As at 31 March, 2022	As at 31 March, 2021
	Prepaid expenses		9.82	6.77
	Plan Assets of employee benefits (Net of provision) - Gratuity	32.3	7.65	19.10
	<b>Total</b>		<b>17.47</b>	<b>25.87</b>

16	Non-current assets held for sale	As at 31 March, 2022	As at 31 March, 2021
	Assets held for sale	122.93	122.93
	<b>Total</b>	<b>122.93</b>	<b>122.93</b>

- 16.1** Holding Company has acquired certain properties on settlement of loan dues from its borrowers which has been classified as held for sale and is being measured at the lower of carrying value or fair value less cost to sell. Fair Market Value of these properties is estimated at Rs. 292.96 lakhs based on valuation conducted by a registered valuer.

**Notes to Consolidated Financial Statements for the year ended 31 March, 2022**

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

17	Borrowings (At amortised cost)	Note	As at 31 March, 2022	As at 31 March, 2021
	<b>Secured</b>			
	i. Term Loans			
	- from Banks	17.1 & 17.3	908.71	1,424.09
	ii. Working Capital Loans from Banks	17.2 & 17.3	4,801.61	5,731.06
	<b>Total</b>		<b>5,710.32</b>	<b>7,155.15</b>
	Borrowings in India		5,710.32	7,155.15
	Borrowings outside India		-	-
	<b>Total</b>		<b>5,710.32</b>	<b>7,155.15</b>

**17.1 Terms of security and repayment are given below:****As at 31 March, 2022**

Particulars	Maturity pattern			
	0-1 years	1-2 years	2-3 years	Total
<b>Term Loans</b>				
(i) Secured by hypothecation of loan receivables (also refer note- 17.1.1)				
- for loans taken from banks (Interest rates range between 10.50%- 10.65% per annum)	907.73	-	-	907.73
(ii) Secured by hypothecation of car				
- for loans taken from financial institutions# (Remaining monthly installments payable-5) (Interest rate - 8.25% per annum)	0.98	-	-	0.98
<b>Total</b>	<b>908.71</b>	<b>-</b>	<b>-</b>	<b>908.71</b>

# repayable on equitable monthly installments

**As at 31 March, 2021**

Particulars	Maturity pattern			
	0-1 years	1-2 years	2-3 years	Total
<b>Term Loans</b>				
(i) Secured by hypothecation of loan receivables (also refer note- 17.1.1)				
- for loans taken from banks (Interest rates range between 11.65%- 15.50% per annum)	1,420.67	-	-	1,420.67
(ii) Secured by hypothecation of car				
- for loans taken from financial institutions# (Remaining monthly installments payable-17) (Interest rate - 8.25% per annum)	2.24	1.18	-	3.42
<b>Total</b>	<b>1,422.91</b>	<b>1.18</b>	<b>-</b>	<b>1,424.09</b>

#repayable on equitable monthly installments

## Notes to Consolidated Financial Statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

**17.1.1 Loans also guaranteed by Managing Director** - loans of Rs. 907.73 lakhs (31.03.2021: Rs. 1,396.35 lakhs) also secured by personal guarantee of Managing Director.

### 17.2 Terms of Security and Interest Rates for Working Capital Loans:

- (i) Working Capital loans from banks are secured by :
- (a) Primary Security- first pari passu charge on present and future receivables of the Holding Company.
  - (b) Collateral Security - Immovable properties belonging to promoter & others.
  - (c) Personal guarantees of Managing Director and relative of Managing Director.
  - (d) Corporate guarantee of Bubble Infosolution Private Limited (company in which Managing Director of the Company is a director) and Amulet Technologies Limited, Subsidiary of the Company)
- (ii) Interest rates on above loans range between 11.65% - 14.85% per annum (31.03.2021: 11.65% - 15.50%).

### 17.3 Details of Default in repayment of Borrowings as at 31 March, 2022 is given below:

#### (i) Term loans:

(Amount in Rs.)

Name of Bank	NPA Date	Total Outstanding as at 31 March, 2022	Amount of Interest accrued and debited by the banks	Amount of Interest accrued but not debited by the banks	Total Default (Installments & interest )
Punjab National Bank (Ex- United Bank of India)	31.03.2020	5,59,15,096	1,32,82,691	49,95,128	7,41,92,915
Bank of India	30.09.2020	3,48,57,989	32,72,782	8,088,061	4,62,18,832
<b>Total</b>		<b>9,07,73,085</b>	<b>1,65,55,473</b>	<b>1,30,83,189</b>	<b>12,04,11,747</b>

#### (ii) Cash Credit Loans from Banks:

(Amount in Rs.)

Name of Bank	NPA Date	Total Outstanding as at 31 March, 2022	Amount of Interest accrued and debited by the banks	Amount of Interest accrued but not debited by the banks	Total Default (Installments & interest )
Punjab National Bank	16.06.2019	11,40,24,961	6,90,53,012	-	18,30,77,973
Punjab National Bank (Ex- Oriental Bank of Commerce)	02.08.2019	4,85,05,740	1,36,67,219	-	6,21,72,959
Indian Overseas Bank	30.11.2019	8,93,39,692	-	3,20,80,949	12,14,20,641
Central Bank of India	30.06.2019	6,27,22,072	-	2,78,33,382	9,05,55,454
Bank of India	30.09.2020	15,34,85,376	2,08,88,399	3,89,17,931	21,32,91,706
<b>Total</b>		<b>46,80,77,841</b>	<b>10,36,08,630</b>	<b>9,88,32,262</b>	<b>67,05,18,733</b>

**Notes to Consolidated Financial Statements for the year ended 31 March, 2022**

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

- 17.4 The Holding Company has availed term loans and working capital facilities from various banks, however, slow down of its lending business and increased level of non-performing / impaired loan portfolio, has impacted its cash flow / liquidity, and the Holding Company is un-able to service term loans and working capital facilities including interest thereon to certain banks as detailed in para 17.3 above, and has approached these banks for its restructuring / settlement which inter-alia includes waiver / reduction of interest being considered by the respective banks. As the Holding Company is reasonably hopeful of waiver / reduction of the interest under these restructuring / settlement packages, interest of Rs. 2,320.80 lakhs though accrued on these loans, has not been provided in these financial statements.
- 17.5 During the year, the Holding Company's proposal for settlement of its loans have been accepted / approved by the following banks, under One Time Settlement (OTS) scheme. As the Holding Company has substantially paid the OTS amount and has also complied with the terms and conditions thereof, the gain of Rs. 662.72 lakhs on extinguishment of loan liability under OTS has been treated as an exceptional item in these financial statements as detailed below.

(Amount in Rs.)

Name of Bank and Nature of loan facility	Outstanding (including interest) as per Group's accounts	Amount paid under One Time Settlement during the year	Amount pending for payment under One Time Settlement as at 31 March, 2022	Total amount paid / payable under One Time Settlement	Gain on extinguishment of borrowing under One Time Settlement
Dhanlaxmi Bank - Term Loan	4,88,61,807	1,70,00,000	-	1,70,00,000	3,18,61,807
Bank of Maharashtra - Working Capital/Cash Credit Loan	7,44,09,832	2,79,16,744	12,083,256	4,00,00,000	3,44,09.832
<b>Total</b>	<b>12,32,71,639</b>	<b>4,49,16,744</b>	<b>1,20,83,256</b>	<b>5,70,00,000</b>	<b>6,62,71,639</b>

18 Other financial liabilities	As at 31 March, 2022	As at 31 March, 2021
Interest accrued but not due	1.20	0.78
Unclaimed dividends	1.39	2.43
Payable to customers (borrowers)	189.53	256.19
Payable to employees	46.74	2.93
Accrued expenses and payables	84.14	53.03
<b>Total</b>	<b>323.00</b>	<b>315.36</b>

- 18.1 Disclosure for dues for micro enterprises and small enterprises refer para 32.2.

19 Provisions	As at 31 March, 2022	As at 31 March, 2021
For employee benefits - leave encashment (refer note 32.3)	2.84	2.97
<b>Total</b>	<b>2.84</b>	<b>2.97</b>

20 Other non-financial liabilities	As at 31 March, 2022	As at 31 March, 2021
Statutory dues payable	30.34	17.50
<b>Total</b>	<b>30.34</b>	<b>17.50</b>

## Notes to Consolidated Financial Statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

### 21 Equity Share Capital

Particulars	As at 31 March, 2022	As at 31 March, 2021
<b>Authorised share capital</b>		
<b>Equity Shares:</b>		
3,50,00,000 equity shares of Rs. 10 each	3,500.00	3,500.00
<b>Preference Shares:</b>		
15,00,000 preference shares of Rs. 100 each	1,500.00	1,500.00
	<b>5000.00</b>	<b>5000.00</b>
<b>Issued, subscribed and fully paid-up</b>		
<b>Equity Shares:</b>		
1,83,66,250 equity shares of Rs. 10 each fully paid up	1,836.63	1,836.63
<b>Total</b>	<b>1,836.63</b>	<b>1,836.63</b>

#### Notes:

#### 21.1 Reconciliation of number of shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	No. of Shares	Amount	No. of Shares	Amount
<b>Equity shares</b>				
Balance at the beginning of the year	1,83,66,250	1,836.63	1,83,66,250	1,836.63
<b>Balance as at end of the year</b>	<b>1,83,66,250</b>	<b>1,836.63</b>	<b>1,83,66,250</b>	<b>1,836.63</b>

#### 21.2 Rights, preferences and restrictions attached to each class of shares

The Holding Company has only one class of Equity Shares having par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. All Equity Shareholders are entitled to receive dividend as declared from time to time. The voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the group in proportion of their shareholding.

#### 21.3 Detail of shareholders holding more than 5% of the aggregate shares in the Holding Company:

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	No. of Shares	% age of share holding	No. of Shares	% age of share holding
<b>Equity Shares</b>				
Pantec Devices Private Limited	44,97,264	24.49%	44,97,264	24.49%
India Business Excellence Fund-IIA	36,46,142	19.85%	36,46,142	19.85%
India Business Excellence Fund-II	22,84,356	12.44%	22,84,356	12.44%
Pantec Consultant Private Limited	14,53,771	7.92%	14,53,771	7.92%
Sanjeev Goel (Including shares held in IBEF - II Escrow account)	12,44,464	6.77%	12,44,464	6.77%



**Notes to Consolidated Financial Statements for the year ended 31 March, 2022**

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

**21.4 Details of Shareholding of Promoter/s:**

S.No.	Shares held by promoter/s at the end of the year			% age change during the year
	Promoter name	No. of Shares	% age of total shares	
1.	Pantec Devices Private Limited	44,97,264	24.49%	No change
2.	India Business Excellence Fund-IIA	36,46,142	19.85%	No change
3.	India Business Excellence Fund-II	22,84,356	12.44%	No change
4.	Pantec Consultant Private Limited	14,53,771	7.92%	No change
5.	Intec Worldwide Private Limited	5,19,267	2.82%	No change
6.	Sanjeev Goel (Including held in IBEF - II Escrow account)	12,44,464	6.77%	No change
7.	Pranav Goel	32,700	0.18%	(+) 100%
8.	Dhruv Goel	32,700	0.18%	(+) 100%

**22 Other Equity**

Particulars	As at 31 March, 2022	As at 31 March, 2021
<b>Securities premium</b>		
As per last account	8,843.84	8,843.84
<b>Statutory Reserve as per Section 45-IC of RBI Act.</b>		
As per last account	1,796.68	1,415.96
Addition during the year	71.82	380.72
Closing Balance	1,868.50	1,796.68
<b>Impairment Reserve</b>		
As per last account	2,073.47	-
Addition during the year (Refer Note 32.17)	252.97	2,073.47
Closing Balance	2,326.44	2,073.47
<b>Retained earnings</b>		
As per last account	(7,968.86)	(7,294.06)
Profit for the year	227.16	1,779.38
Appropriation to Statutory Reserve as per Section 45-IC of RBI Act	(71.82)	(380.72)
Appropriation to Impairment Reserve	(252.97)	(2,073.47)
Closing Balance	(8,066.48)	(7,968.86)
<b>Other Comprehensive (Loss)/Income - Re-measurement gains/ (losses) on defined benefit plan</b>		
As per last account	5.13	2.41
Addition during the year	(7.09)	2.72
Closing Balance	(1.96)	5.13
<b>Total</b>	<b>4,970.34</b>	<b>4,750.26</b>

## Notes to Consolidated Financial Statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

### 22.1 Nature and purpose of other equity:

#### i Security Premium

Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013

#### ii Statutory Reserve as per Section 45-IC(1) of RBI Act, 1934

Reserve fund is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve.

#### iii Impairment Reserve

Reserve Bank of India (RBI) issued Notification No. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March, 2020 in respect of 'Implementation of Indian Accounting Standards' by NBFCs. In terms of the said circular, in case where the impairment allowance under Ind AS 109 is lower than the provisioning required under Income Recognition, Asset Classification and Provisioning (IRACP) Norms (including standard asset provisioning) issued by RBI, the holding company is required to appropriate the difference from their net profit after tax to "Impairment Reserve". No withdrawals are permitted from this reserve without prior permission from the Department of Supervision, RBI. Refer Note. 32.17 in respect of the disclosure in respect of comparison between impairment allowance and provisioning under IRACP Norms.

#### iv Retained Earnings

The profit/loss earned till date, less any transfers/appropriations to any other reserve, dividends or other distribution paid to shareholders.

#### v Other Comprehensive Income / (Loss)

The other comprehensive income/(loss) till date, which is available for set off or adjustable only against such income/(loss) in future.

23	Interest income	For the year ended 31 March, 2022	For the year ended 31 March, 2021
	Interest income on:		
	- on loans	171.74	457.17
	- deposits with banks	0.49	4.06
	- financial instruments	131.17	117.15
	<b>Total</b>	<b>303.40</b>	<b>578.38</b>
24	Fees and commission income	For the year ended 31 March, 2022	For the year ended 31 March, 2021
	Income on preclosure of loans	0.35	1.18
	Other service fees	0.31	4.55
	<b>Total</b>	<b>0.66</b>	<b>5.73</b>
25	Recoveries of financial assets written off	For the year ended 31 March, 2022	For the year ended 31 March, 2021
	Recoveries of financial assets written off	668.45	4.12
	<b>Total</b>	<b>668.45</b>	<b>4.12</b>
26	Other income	For the year ended 31 March, 2022	For the year ended 31 March, 2021
	Liabilities no longer required written back	0.82	29.53
	Gain on lease termination/concession	-	8.46
	Interest on income tax refund	-	42.30
	Profit on disposal of property, plant & equipment (net)	-	0.04

**Notes to Consolidated Financial Statements for the year ended 31 March, 2022**

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

	Miscellaneous Income		6.49	27.93
	<b>Total</b>		<b>7.31</b>	<b>108.26</b>
<b>27</b>	<b>Finance costs</b>	<b>Note</b>	<b>For the year ended 31 March, 2022</b>	<b>For the year ended 31 March, 2021</b>
	On financial liabilities measured at amortised cost:			
	- on borrowings - term loan from banks/financial institutions	17.4	0.23	0.07
	- on borrowings - CC from banks	17.4	3.45	0.70
	- on borrowings - car loan from bank		0.21	0.38
	- on lease liabilities	<b>32.6</b>	8.22	13.44
	Other borrowing costs		1.14	5.80
	<b>Total</b>		<b>13.25</b>	<b>20.39</b>
<b>28</b>	<b>Impairment on financial instruments</b>		<b>For the year ended 31 March, 2022</b>	<b>For the year ended 31 March, 2021</b>
	(Measured at amortised cost)			
	Bad debts written off		49.24	85.76
	Impairment on loans		148.37	(2,101.06)
	<b>Total</b>		<b>197.61</b>	<b>(2,015.30)</b>
<b>29</b>	<b>Employee benefits expenses</b>		<b>For the year ended 31 March, 2022</b>	<b>For the year ended 31 March, 2021</b>
	Salaries and wages		471.24	374.57
	Contribution to provident and other funds		12.00	14.46
	Staff welfare expenses		13.36	22.40
	<b>Total</b>		<b>496.60</b>	<b>411.43</b>
<b>30</b>	<b>Depreciation and amortization</b>	<b>Note</b>	<b>For the year ended 31 March, 2022</b>	<b>For the year ended 31 March, 2021</b>
	Depreciation on tangible assets	12	32.44	33.94
	Amortization of intangible assets	13	6.11	11.26
	Amortization of right-of-use assets	14	17.53	24.37
	<b>Total</b>		<b>56.08</b>	<b>69.57</b>
<b>31</b>	<b>Other expenses</b>		<b>For the year ended 31 March, 2022</b>	<b>For the year ended 31 March, 2021</b>
	Rent		12.90	1.48
	Insurance		5.55	8.01
	Legal & professional		404.44	320.00
	<b>Payment to Auditors:</b>			
	- Statutory Audit		5.80	5.80
	- Tax Audit		1.00	1.00
	- Limited Reviews		3.00	3.00
	- Other services		0.50	0.55
	- Reimbursement of expenses		0.61	0.76
	Rates & taxes		0.34	4.74
	Electricity & water		12.68	12.66
	Directors' sitting fees		2.62	2.94
	Repairs & maintenance		24.37	23.05
	Communication and internet		11.99	12.87
	Travelling & conveyance		41.88	58.17
	Business promotion		35.32	18.53
	Loss on disposal of property, plant & equipment (net)		0.67	-
	Other expenditure		73.25	35.82
	<b>Total</b>		<b>636.92</b>	<b>509.38</b>

## Notes to Consolidated Financial Statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

### NOTE – 32 : OTHER NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

#### 32.1 Contingent Liabilities and Commitments:

Sr. No.	Particulars	As at 31 March, 2022	As at 31 March, 2021
<b>A.</b>	<b>Contingent Liabilities</b>		
i.	Claims against the Holding Company not acknowledged as debts.	Few customers / borrowers of the Holding Company have filed legal cases for various claims against the Holding Company. The Holding Company has reviewed these pending litigations and proceedings and does not expect any material out flow / reimbursement in respect of the same.	
<b>B.</b>	<b>Commitments</b>		
i.	Loan approved but pending disbursements.	Nil	Nil
<b>C.</b>	<b>Corporate Guarantee</b>		
i.	By Subsidiary Company on behalf of Holding Company for Credit Facilities	40,000.00	41,500.00

#### 32.2 Disclosure required under Section 22 of Micro, Small and Medium Enterprise Development Act, 2006:

	As at 31 March, 2022	As at 31 March, 2021
i. Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act.		
- Principal	3.18	2.73
- Interest	-	-
ii. Amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-
iv. The amount of interest accrued and remaining unpaid.	-	-
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act, 2006	-	-
<b>Total</b>	<b>3.18</b>	<b>2.73</b>

The above information regarding dues to Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information collected with the Group.

**Notes to Consolidated Financial Statements for the year ended 31 March, 2022**

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

**31.3 Employee Benefits (Ind AS-19)****(a) Defined Benefit plans:**

Gratuity : Payable on separation as per the Payment of Gratuity Act, 1972, as amended @ 15 days pay, for each completed year of service to eligible employees who render continuous service of 5 years or more. The Holding Company's liability towards Gratuity is funded / managed by Life Insurance Corporation of India (LIC).

**(b) Other Long-Term Benefit:**

Compensated Absences : Employees of the Holding Company are entitled to accumulate their earned/privilege leave up to a maximum of 30 days which can be availed / utilized in coming year/s, while in service. During the year the amount of Rs. 0.13 lakhs (Previous Year: Rs. 1.51 lakhs) has been credited in the Statement of Profit and Loss towards reversal of the excess provision based on actuarial valuation.

**(c) Defined Contribution plans:**

Holding Company's employees are covered by Provident Fund and Employees State Insurance Scheme, to which the Holding Company makes a defined contribution measured as a fixed percentage of salary. During the year, amount of Rs. 11.57 lakhs (Previous Year: Rs. 13.91 lakhs) has been charged to the Statement of Profit and Loss towards employer's contribution to these schemes/funds as under:

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Employer's contribution towards Provident Fund (PF)	10.49	12.78
Employer's contribution towards Employees State Insurance (ESI)	1.08	1.13

**(d) Other disclosures of Defined Benefit plan (Gratuity) are as under:****i) Reconciliation of Defined Benefit Obligations:**

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Present Value of Defined Benefit Obligation at the beginning of year	19.75	23.68
Interest cost	1.25	1.50
Current Service Cost	3.34	4.05
Benefit Paid	(6.36)	(5.50)
Actuarial (Gain)/Loss arising from Change in Financial Assumptions	(1.02)	-
Actuarial (Gain)/ Loss arising from Change in Demographic Assumptions	(2.19)	-
Actuarial (Gain)/ Loss arising from Changes in Experience Adjustments	12.49	(3.98)
<b>Present value of the Defined Benefit Obligation at the end of year</b>	<b>27.26</b>	<b>19.75</b>

**ii) Net Defined Benefit recognized in the Statement of Profit and Loss.**

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Current Service Cost	3.34	4.05
Interest cost (net of return)	(1.36)	(1.32)
<b>Net Defined Benefit recognized in Statement of Profit and Loss</b>	<b>1.98</b>	<b>2.73</b>

## Notes to Consolidated Financial Statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

### iii) Recognized in Other Comprehensive Income.

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Actuarial Gain/(Loss) on arising from Change in Financial Assumption	1.02	-
Actuarial Gain/(Loss) on arising from Change in Demographic Assumption	(1.36)	(1.32)
Actuarial Gain/(Loss) on arising from Changes in Experience Adjustments	2.19	-
Actuarial Gain/(Loss) on Plan Assets	(12.49)	3.98
Actuarial Gain/(Loss) on Plan Assets	(0.19)	(0.31)
<b>Net actuarial (Loss) / Gain</b>	<b>(9.47)</b>	<b>3.67</b>

### iv) Reconciliation of the opening and closing balances of fair value of Plan Assets

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Fair value of Plan Assets at the beginning of year	38.85	41.84
Expected return on plan Assets	2.61	2.82
Employer's Contribution	-	-
Return on Plan Assets excluding interest income	(0.19)	(0.31)
Benefits paid	(6.36)	(5.50)
<b>Fair value of Plan Assets at the end of year</b>	<b>34.91</b>	<b>38.85</b>

### v) Net Defined Benefit Assets / (Liability) recognized in the Balance Sheet

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Present value of the Defined Benefit Obligation at the end of year	(27.26)	(19.75)
Fair value of Plan Assets at the end of year	34.91	38.85
<b>Net Defined Benefit Assets recognized in the Balance Sheet</b>	<b>7.65</b>	<b>19.10</b>

### vi) Broad categories of Plan Assets as percentage of total assets

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Insurer Managed Funds	100%	100%

### vii). Sensitivity Analysis\*

#### a) Impact of the change in the discount rate

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Present value of the Defined Benefit Obligation at the end of year	27.26	19.75
a) Impact due to increase of 0.50% (Previous year: 0.50%)	(1.20)	(0.75)
b) Impact due to decrease of 0.50% (Previous Year: 0.50%)	1.29	0.80



**Notes to Consolidated Financial Statements for the year ended 31 March, 2022**

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**b) Impact of the change in the salary increase**

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Present value of the Defined Benefit Obligation at the end of year	27.26	19.75
a) Impact due to increase of 0.50% (Previous year: 0.50%)	0.99	0.72
b) Impact due to decrease of 0.50% (Previous year: 0.50%)	(0.95)	(0.76)

\* Sensitivities due to mortality &amp; withdrawals are not material &amp; hence impact of change not calculated.

\* Sensitivities as to rate of inflation, rate of increase of pension in payment, rate of increase of pensions before retirement &amp; life expectancy are not applicable being a lump sum benefit on retirement.

**viii. Maturity Profile**

Year	Year ended 31 March, 2022	Year ended 31 March, 2021
0 to 1 year	1.7%	3.9%
1 to 2 Year	2.1%	4.0%
2 to 3 Year	1.9%	4.1%
3 to 4 Year	2.2%	4.2%
4 to 5 Year	5.7%	4.3%
5 Year onwards	25.4%	32.1%

**ix. Expected contribution for the next Annual reporting period**

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Expected contribution for the next Annual reporting period	4.90	3.34

**x. Actuarial Assumptions:**

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

Particulars	Gratuity		Compensated Absences	
	Year ended 31 March, 2022	Year ended 31 March, 2021	Year ended 31 March, 2022	Year ended 31 March, 2021
Method used	Projected unit credit method			
Discount rate	6.95%	6.55%	6.95%	6.55%
Salary Escalation	6.00%	6.00%	6.00%	6.00%
Mortality Rate	IALM (2012-14)			
Rate of return on plan assets	6.95%	6.55%	NA	NA

**Withdrawal Rates Per Annum**

Age Band	Year ended 31 March, 2022	Year ended 31 March, 2021
25 & below	1.00%	7.50%
25 to 35	24.00%	7.50%
35 to 45	8.00%	7.50%
45 to 55	2.00%	7.50%
55 & above	1.00%	7.50%

## Notes to Consolidated Financial Statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

### 32.4 Operating Segments (Ind AS – 108):

The Holding Company is primarily engaged only in the business of providing loans to Small and Medium Enterprises ('SME') customers and has no overseas operations/units and the Subsidiary Company's business activity falls within single primary/secondary business segment viz., consultancy, advisory & all related services in all areas of information technology in India and as such, no segment reporting is required under Ind AS- 108 dealing with the Segment Reporting.

### 32.5 Related Party Disclosures (Ind AS-24):

#### A. List of Related Parties and relationships, having transactions during the year:

- a) **Key Management Personnel's**  
Sanjeev Goel, Managing Director  
Radhika Rautela, Chief Finance Officer (upto 26 May, 2022)  
Vandana Das, Company Secretary
- b) **Relatives of Key Management Personnel**  
Pranav Goel, Son of Managing Director  
Dhruv Goel, Son of Managing Director
- c) **Enterprise over which Key Management Personnel exercises significant influence**  
Bubble Info Solutions Private Limited
- d) **Investing party in respect of which the Company is an associate**  
Pantec Devices Private Limited

#### A. Transactions with Related Parties

Nature of Transaction	Investing party in re-spect of which the Com-pany is an associate		Key Management Personnel and Rela-tives	
	Year ended 31 March			
	2022	2021	2022	2021
<b><u>Remuneration paid</u></b>				
a) Key Management Personnel's	-	-	147.13	148.85
b) Relatives of Key Management Personnel	-	-	23.36	16.46
<b><u>Sitting Fees paid</u></b>				
Sanjeev Goel (excluding GST)	-	-	0.50	0.70
<b><u>Interest Income on loans</u></b>				
Pantec Devices Private Limited	2.25	2.25	-	-

#### B. Year end balances with related parties:

	As at 31 March, 2022	As at 31 March, 2022
<b>Loans and Advances given</b>		
Pantec Devices Private Limited, (Investing party in respect of which the Company is an associate)	47.97	45.72
<b>Guarantee given on behalf of Company (Refer note 17.1.1 &amp; 17.2)</b>		
The Managing Director, Bubble Infosolution Private Limited (Company in which Managing Director of the Holding Company is a director).	Term Loans: 907.73 WCDL: 4,801.61	Term Loans: 1,420.67 WCDL: 5,731.06

**Notes to Consolidated Financial Statements for the year ended 31 March, 2022**

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

**Notes:**

- Transaction values are excluding taxes and duties.
- Related parties as defined under Ind AS 24 'Related Party Disclosures' have been identified based on representations made by key managerial personnel and information available with the Group. All above transactions are in the ordinary course of business and on arm's length basis.
- Provisions for gratuity, compensated absences and other long-term service benefits are made for the Group as a whole and the amounts pertaining to the Key Managerial Personnel are not specifically identified and hence are not included above.

**32.6 Leases.**

Group's significant leasing arrangements are in respect of the premises (commercial premises, offices etc.) which contain extension option after the initial contract period, the amounts recognized on account of leases are as under:

**(i) Amount recognized in Statement of Profit and Loss.**

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Interest Expense on Lease Liabilities	8.22	13.44
Amortization of Right-of-Use Assets	17.53	24.37

**(ii) Amount recognized in Balance Sheet.**

Particulars	Year ended 31 March, 2021	Addition / (Deduction) during the year	Year ended 31 March, 2022
Lease liabilities	106.32	4.78	111.10
Right-of-use assets (Gross) (Refer Note 14)	134.05	19.16	153.21

**(iii) Maturity Profile**

Particulars	Amount
<b>Maturity analysis – contractual undiscounted cash flows</b>	
Within 1 year	37.83
Within 2 years	29.18
Within 3 years	17.36
Within 4 years	14.77
5 years or more	36.31
<b>Total undiscounted lease liabilities</b>	<b>135.45</b>
Impact of discounting and other adjustments	24.35
<b>Lease liabilities included in the Balance Sheet</b>	<b>111.10</b>

**32.7 Earnings Per Share (EPS)**

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Profit for the year (Rs. in lakhs)	227.16	1,779.38
Basic/Diluted weighted average number of equity shares outstanding during the year	1,83,66,250	1,83,66,250
Nominal value of Equity Share (Rs.)	10.00	10.00
Basic/Diluted Earnings per Share (Rs.)	1.24	9.69

## Notes to Consolidated Financial Statements for the year ended 31 March, 2022

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### 32.8 Corporate Social Responsibility (CSR):

The Holding Company has constituted a CSR committee as required under Section 135 of the Companies Act, 2013, together with relevant rules as prescribed in Companies (Corporate Social Responsibility Policy) Rules, 2014 ('CSR rules'). The CSR Committee had approved the CSR Policy and also identified the broad areas of CSR activities which it propose to carry out viz. Child Education and Women Empowerment. The Holding Company has made serious deliberations and chosen the CSR programs which would be undertaken on a long term and continuous basis. Such programs will benefit communities where the Holding Company operates or likely to operate and create goodwill for the Holding Company. As the Holding Company has incurred average net losses during the last three years, no amount is required to be spent on account of CSR.

### 32.9 Going Concern:

Accumulated losses have resulted in erosion of substantial net worth of the Company, however, the Company has Accumulated losses have resulted in erosion of substantial net worth of the Holding Company, however, the Holding Company has been able to improve its financial performance and has earned profit during the current year and also in previous year. Further, to improve its liquidity / cash flow, and to revive its financial position the Holding Company has approached its lenders / bankers for restructuring / settlement of its loans which inter-alia includes waiver / reduction of interest. These proposals have been accepted /approved by certain banks during the year and also during the previous year wherein the Holding Company has been able to get the gain of extinguishment of the loan liability including interest, and in other cases these proposals are under process at advanced stage and therein also the Holding Company is hopeful to get substantial reduction in its loan's liability towards interest and principal.

Considering the above, and the future profitability and cash flow projections and the continued support of its promoters and bankers / lenders, the management is hopeful of further improvement in its financial position / performance, and accordingly the financial statements have been prepared on a going concern basis.

**32.10** The Holding Company has considered the possible effects that may result from the COVID-19 pandemic in the preparation of these financial statements and has assessed its future cash flow projections and recoverability of its assets including loans to customers and also held impairment testing of its non-monetary assets including the property, plant and equipment, using the various internal and external information. Based on this evaluation, the Holding Company expects to recover the carrying amount of these assets and does not anticipate any impairment to these financial and non-financial assets as at the date of approval of these financial statements. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration, and therefore, the Holding Company will continue to monitor any material changes in future economic and business conditions, and the impact thereof, if any, required will be taken accordingly.

**32.11** Disclosures as required under 'Master Direction - Non-Banking Financial Company – Non- Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016' and other applicable directions/circulars are enclosed vide **Annexure – I**.

### 32.12 Capital

The Holding Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital and other reserves attributable to equity holders of the Holding Company. As an NBFC, the RBI requires the Holding Company to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier 1 and Tier 2 capital of 15% of the aggregate risk weighted assets. Further, the total of the Tier 2 capital cannot exceed 100% of the Tier 1 capital at any point of time. The capital management process of the Holding Company ensures to maintain a healthy CRAR at all the times.

#### Capital Management

The primary objectives of the Holding Company's capital management policy is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Holding Company aims to maintain a strong capital base to support the risks inherent to its business and growth strategies. The Holding Company endeavours to maintain a higher capital base than the mandated regulatory capital at all times.

#### Planning

The Holding Company's assessment of capital requirement is aligned to its planned growth which forms part of

**Notes to Consolidated Financial Statements for the year ended 31 March, 2022**

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

an annual operating plan which is approved by the Board and also a long-range strategy. These growth plans are aligned to assessment of risks– which include credit, liquidity and interest rate.

The Holding Company monitors its capital to risk-weighted assets ratio (CRAR) on a monthly basis through its Assets Liability Management Committee (ALCO).

The Holding Company endeavours to maintain its CRAR higher than the mandated regulatory norm. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

The Holding Company is also the provider of equity capital to its wholly owned subsidiary and associates and also provides them with non-equity capital where necessary. These investments are funded by the Holding Company through its equity share capital and other equity which inter alia includes securities premium and retained earnings.

**Regulatory capital**

Particulars	As at 31 March, 2022	As at 31 March, 2021
Tier I Capital	1,671.84	1,686.84
Tier II Capital	0.09	1.18
<b>Total Capital Funds</b>	<b>1,671.93</b>	<b>1,688.02</b>
Risk Weighted Assets	9,629.05	10,935.28
CET1 capital ratio	17.36%	15.43%
CET2 capital ratio	0.00%	0.01%
<b>Total capital ratio</b>	<b>17.36%</b>	<b>15.44%</b>

Regulatory capital consists of Tier 1 capital, which comprises share capital, securities premium and retained earnings. Certain adjustments are made to Ind AS based results and reserves, as prescribed by the Reserve Bank of India. The other component of regulatory capital is Tier 2 Capital, which includes subordinated debt. The Holding Company is trying to meet the capital adequacy requirements of Reserve Bank of India (RBI).

**32.13 Events after Reporting Date**

There have been no events after the reporting date that require disclosure in these consolidated financial statements.

**32.14 Fair Values**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

This note describes the fair value measurement of both financial and non-financial instruments.

**Valuation framework**

The Group has an internal fair value assessment team which assesses the fair values for assets qualifying for fair valuation.

The Group's valuation framework includes:

- Benchmarking prices against observable market prices or other independent sources;
- Development and validation of fair valuation models using model logic, inputs, outputs and adjustments.

These valuation models are subject to a process of due diligence and validation before they become operational and are continuously calibrated. These models are subject to approvals by various functions of the Group. Finance function is responsible for establishing procedures, governing valuation and ensuring fair values are in compliance with Indian accounting standards.

## Notes to Consolidated Financial Statements for the year ended 31 March, 2022

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### Valuation methodologies adopted

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Fair values of strategic investments in equity instruments designated under FVOCI have been measured under level 3.
- Fair value of loans held under a business model that is achieved by both collecting contractual cash flows and partially selling the loans through partial assignment to willing buyers and which contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest are measured at FVOCI. The fair value of these loans has been determined under level 3.
- The Group has disclosed financial instruments such as cash and cash equivalents, other bank balances, other financial assets and liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short-term nature.

### 32.15. Fair Values Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

**Level 1:** Valuation based on quoted market price: financial instruments with quoted prices for identical instruments in active markets that the Group can access at the measurement date.

**Level 2:** Valuation based on using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

**Level 3:** Valuation technique with significant unobservable inputs: – financial instruments valued using valuation techniques where one or more significant inputs are unobservable.

Disclosures of fair value measurement hierarchy for financial instruments are given below:

Particulars	Carrying amount/Fair value					
	As at 31 March, 2022			As at 31 March, 2021		
<u>Financial assets</u>	L-1	L-2	L-3	L-1	L-2	L-3
<b><u>Carrying amounts/fair value:</u></b>						
<b><u>a) Measured at fair value through profit and loss</u></b>						
Financial Guarantee Contracts	--	--	--	--	--	--
<b><u>b) Measured at fair value through other comprehensive income</u></b>						
<b><u>c) Measured at amortised cost</u></b>						
- Cash and cash equivalents		--	413.45	--	--	291.30
- Bank Balance other than cash and cash equivalents		--	32.13	--	--	2.43
- Loans		--	6,575.19	--	--	7,675.01
- Investments		--	6.84	--	--	6.84
- Other financial assets		--	1,655.67	--	--	1,834.85
<b>Total</b>	--	--	<b>8,683.28</b>	--	--	<b>9,810.43</b>
<u>Financial liabilities</u>	L-1	L-2	L-3	L-1	L-2	L-3
<b><u>Carrying amounts/fair value:</u></b>						

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(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

Particulars	Carrying amount/Fair value					
	As at 31 March, 2022			As at 31 March, 2021		
a) <b><u>Measured at fair value through profit and loss</u></b> Financial Guarantee Contracts	--	--	--	--	--	--
b) <b><u>Measured at fair value through other comprehensive income</u></b>	--	--	--	--	--	--
c) <b><u>Measured at amortised cost</u></b>						
- Borrowings	--	--	5,710.32	--	--	7,155.15
- Lease liabilities	--	--	111.10	--	--	106.32
- Other financial liabilities	--	--	323.00	--	--	315.361
<b>Total</b>	--	--	<b>6,144.42</b>	--	--	<b>7,576.83</b>

**32.16 Risk management objectives and policies****Risk Management Framework**

A summary of the major risks faced by the Group, its measurement monitoring and management are described as under:

Nature of risk	Arising from	Executive governance structure	Measurement, monitoring and management of risk
Liquidity and funding risk	<p>Liquidity risk arises from mismatches in the timing of cash flows.</p> <p>Funding risk arises:</p> <ul style="list-style-type: none"> <li>when long term assets cannot be funded at the expected term resulting in cash flow mismatches;</li> <li>amidst volatile market conditions impacting sourcing of funds from banks and money markets</li> </ul>	Board appointed Asset Liability Committee (ALCO)	<p><b>Liquidity and funding risk is:</b></p> <ul style="list-style-type: none"> <li>measured by identifying gaps in the structural and dynamic liquidity statements.</li> <li>monitored by <ul style="list-style-type: none"> <li>assessment of the gap between visibility of funds and the near term liabilities given current liquidity conditions and evolving regulatory directions for NBFCs.</li> <li>a constant calibration of sources of funds in line with emerging market conditions in banking and money markets.</li> <li>periodic reviews by ALCO relating to the liquidity position and stress tests assuming varied 'what if' scenarios and comparing probable gaps with the liquidity buffers maintained by the Company.</li> </ul> </li> <li>managed by the Company's treasury team under the guidance of ALCO.</li> </ul>



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Nature of risk	Arising from	Executive governance structure	Measurement, monitoring and management of risk
Interest rate risk	Interest rate risk stems from movements in market factors, such as interest rates, credit spreads which impacts investments, income and the value of portfolios	Board appointed Asset Liability Committee	<p>Interest rate risk is:</p> <ul style="list-style-type: none"> <li>measured using Valuation at Risk ('VaR'), and modified duration analysis and other measures, including the sensitivity of net interest income.</li> <li>monitored by assessment of probable impacts of interest rate sensitivities under simulated stress test scenarios given range of probable interest rate movement so on both fixed and floating assets and liabilities.</li> <li>managed by the Company's treasury team under the guidance of ALCO.</li> </ul>
Credit risk	Credit risk is the risk of financial loss arising out of a customer or counter party failing to meet their repayment obligations to the Company	Board appointed Risk Management Committee	<p>Credit risk is:</p> <ul style="list-style-type: none"> <li>measured as the amount at risk due to repayment default to a customer or counter party to the Company. Various matrices such as EMI default rate, overdue position, collection efficiency, customers non-performing loans etc. are used as leading indicators to assess credit risk.</li> <li>monitored by Risk Management Committee using level of credit exposures, portfolio monitoring, repurchase rate, bureau data of portfolio performance and industry, geographic, customer and portfolio concentration risks.</li> <li>managed by a robust control framework by the risk department which continuously align credit policies, obtaining external data from credit bureaus and reviews of portfolios and delinquencies by senior and middle Management team comprising of risk, analytics, collection and fraud containment along with business. The same is periodically reviewed by the Board appointed Risk Management Committee.</li> </ul>

### Liquidity and funding risk

The Holding Company monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Balance Sheet.

The Holding Company continuously monitors liquidity in the market; and as a part of its strategy, the Holding Company maintains a liquidity buffer managed by an active investment desk to reduce this risk.

The Holding Company is managing its fund requirements mainly from banks and financial institutions. The Holding Company emphasis on long term borrowings, however, presently its short-term borrowing are more than the long term borrowing, which has helped the Holding Company to manage and meet its fund requirements, considering that presently the Holding Company is not disbursing new / further loans to its customers and its focus is on recovery and to improve its assets quality. The table below summarises the maturity profile of the undiscounted cashflow of the Holding Company's financial liabilities:

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(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

Particulars	As at 31 March, 2021			As at 31 March, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Borrowings	5,710.32	--	5,710.32	7,153.97	1.18	7,155.15
Lease liabilities	27.60	83.50	111.10	20.69	85.63	106.32
Other financial liabilities	323.00	--	323.00	315.36	--	315.36
	<b>6,060.92</b>	<b>83.50</b>	<b>6,144.42</b>	<b>7,490.02</b>	<b>86.81</b>	<b>7,576.83</b>

Particulars	As at 31 March, 2022			As at 31 March, 2021		
	Within 12 months	After 12 months	Total	Within 12 Months	After 12 Months	Total
<b>ASSETS</b>						
<b>Financial assets</b>						
Cash and cash equivalents	413.45	--	413.45	291.30	--	291.30
Bank balances other than cash and cash equivalents	32.13	--	32.13	2.43	--	2.43
Loans	6,342.67	232.52	6,575.19	7,366.35	308.66	7,675.01
Investments	--	6.84	6.84	--	6.84	6.84
Other financial assets	1,644.60	11.07	1,655.67	1,823.17	11.68	1,834.85
<b>Non-financial assets</b>						
Current tax assets (net)	5.70	--	5.70	27.93	--	27.93
Deferred tax assets (net)	--	2,787.23	2,787.23	--	2,799.77	2,799.77
Property, plant and equipment	--	1,250.97	1,250.97	--	1,276.56	1,276.56
Capital work-in-progress	--	0.35	0.35	--	0.35	0.35
Intangible assets	--	21.35	21.35	--	26.69	26.69
Right-of-use assets	--	95.29	95.29	--	93.66	93.66
Other non-financial assets	17.47	--	17.47	25.87	--	25.87
<b>Non-current assets held for sale</b>	122.93	--	122.93	122.93	--	122.93
<b>Total</b>			<b>12,984.57</b>			<b>14,184.19</b>
<b>LIABILITIES</b>						
<b>Financial liabilities</b>						
Borrowings	5,710.32	--	5,710.32	7,153.97	1.18	7,155.15
Lease liabilities	27.60	83.50	111.10	20.69	85.63	106.32
Other financial liabilities	323.00	--	323.00	315.36	--	315.36
<b>Non-financial liabilities</b>						
Provisions	0.46	2.38	2.84	0.44	2.53	2.97
Other non-financial liabilities	30.34	--	30.34	17.50	--	17.50
			<b>6,177.60</b>			<b>7,597.30</b>

**Market risk**

Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate due to changes in the market variables such as interest rates, foreign exchange rates and equity prices. The Group do not have any exposure to foreign exchange rate and equity price risk.

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### Interest rate risk On investments

The interest rate risk on the investment portfolio and corresponding fair value change impact is monitored using Valuation at Risk ('VaR') and modified duration analysis and other measures, including the sensitivity of net interest income. The Group do not have any investment which is exposed to interest risk.

### On assets and liabilities

Interest rate sensitivity on fixed and floating rate assets and liabilities with differing maturity profiles is measured by using the duration gap analysis. The same is computed periodically and sensitivity of the market value of equity assuming varied changes in interest rates are presented and monitored.

Sensitivity analysis as at 31 March, 2022				
Particulars	Carrying value	Fair value	Sensitivity to closing fair value	
			1% increase	1% decrease
Loans – Financial Assets	6,575.19	6,575.19	65.75	(65.75)
Borrowings – Financial Liabilities	5,710.32	5,710.32	57.10	(57.10)

Sensitivity analysis as at 31 March, 2021				
Particulars	Carrying value	Fair value	Sensitivity to closing fair value	
			1% increase	1% decrease
Loans – Financial Assets	7,675.01	7,675.01	76.75	(76.75)
Borrowings – Financial Liabilities	7,155.15	7,155.15	71.55	(71.55)

### Credit risk

Credit risk is the risk of financial loss arising out of a customer or counterparty failing to meet their repayment obligations to the Group. It has a diversified lending model and focuses on broad categories viz: business, mortgages, and commercial lending. The Group assesses the credit quality of all financial instruments that are subject to credit risk.

### Classification of financial assets under various stages

The Holding Company classifies its financial assets in three stages having the following characteristics:

Stage1: unimpaired and without significant increase in credit risk since initial recognition on which a 12-month allowance for ECL is recognised;

Stage 2: a significant increase in credit risk since initial recognition on which a lifetime ECL is recognised;

Stage 3: objective evidence of impairment, and are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised.

Unless identified at an earlier stage, all financial assets are deemed to have suffered a significant increase in credit risk when they are 90 days past due (DPD) and are accordingly transferred from stage 1 to stage 2. For stage 1 an ECL allowance is calculated based on a 12-month Point in Time (PIT) probability weighted probability of default (PD). For stage 2 and 3 assets a life time ECL is calculated based on a lifetime PD.

The Holding Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD) along with an adjustment considering forward macro-economic conditions [for a detailed note for methodology of computation of ECL please refer to significant accounting policies note no 4.3(i) to the financial statements].

**Notes to Consolidated Financial Statements for the year ended 31 March, 2022**

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

Financial instruments other than loans were subjected to simplified ECL approach under Ind AS 109 'Financial Instruments' and accordingly were not subject to sensitivity of future economic conditions.

The table below summarises the approach adopted by the Holding Company for various components of ECL viz. PD, EAD and LGD across product lines using empirical data where relevant

Lending Category	Nature of Businesses	Probability of Default (PD)		Stage 3	Exposure at Default (EAD)	Loss Given Default (LGD)
		Stage 1	Stage 2			
Business Loan	Unsecured loans to SMEs, corporate and others etc.	Use of past trend and data and statistical analysis thereof, external / internal ratings and internal evaluation with a management over-lay.		100%	EAD is computed based on assessment of time to default considering customers profile and time for liquidation of securities	Based on past trend of recoveries, associated risk of underlying security and estimated cash flows.
Mortgage Loan	Loans against collateral security of plant & machinery					
Commercial Loan	Loans against property					

The table below summarises the gross carrying values and the associated allowances for expected credit loss (ECL) stage wise for loan portfolio:

**As at 31 March, 2022**

Particulars	Secured			Unsecured		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gross Carrying Value	40.89	8.19	15,968.83	47.97	171.98	2,119.25
Allowance for ECL	0.09	-	9,846.49	-	-	1,935.34
ECL Coverage ratio	0.22%	0.00%	61.66%	0.00%	0.00%	91.32%

**As at 31 March, 2021**

Particulars	Secured			Unsecured		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gross Carrying Value	192.41	70.33	16,653.22	--	194.56	2,198.04
Allowance for ECL	0.95	0.23	9,670.47	-	-	1,961.90
ECL Coverage ratio	0.49%	0.33%	58.07%	0.00%	0.00%	89.26%

**Collateral Valuation**

The nature of products across these broad categories are either unsecured or secured by collateral. Although collateral is an important risk mitigant of credit risk, the Holding Company's practice is to lend on the basis of assessment of the customer's ability to repay rather than placing primary reliance on collateral. Based on the nature of product and the Holding Company's assessment of the customer's credit risk, a loan may be offered with suitable collateral. Depending on its form, collateral can have a significant financial effect in mitigating the Holding Company's credit risk.

The main types of collateral across various products obtained are as follows:

Product group	Nature of securities
Mortgage Loan	Hypothecation of underlying plant & machinery
Commercial Loan	Equitable mortgage of residential and commercial properties.

## Notes to Consolidated Financial Statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

The Holding Company periodically monitors the market value of collateral and evaluates its exposure and loan to value matrix for high risk customers. The Holding Company exercises its right of repossession across all secured products, and also resorts to judicial remedies available against its mortgages and commercial lending business. The repossessed assets are either sold or released to delinquent customers in case they come forward to settle their dues, but are not recorded in the accounts. The assets possessed / received in settlement of the loan are recorded as non-current assets held for sale (refer note 16).

### Analysis of Concentration Risk

Credit concentration risk is the risk associated with any single exposure or group of exposures with the potential to produce large enough losses to threaten Holding Company's core operation. The Holding Company's exposure to various borrowers is constantly monitored to mitigate the credit concentration risk. The detail of advances to the top 20 largest borrowers and its percentage to the total advances is as under:

Particulars	As at 31 March, 2022	As at 31 March, 2021
Total Loans to twenty largest borrowers	5,140.29	5,178.55
Percentage of Advances to twenty largest borrowers to Total Loans of the Holding Company	28.00%	26.82%

The Holding Company's loans exposure are within the geographic area of National Capital Region, New Delhi.

### Measurement uncertainty and sensitivity analysis of ECL estimates

Expected credit loss impairment loss allowances recognised in the financial statements reflect the effect of a range of possible economic outcomes, calculated on a probability-weighted basis, based on the economic scenarios. Key assumptions used in measurement of ECL.

- The Holding Company considers the date of initial recognition as the base date from which significant increase in credit risk is determined.
- Since the Holding Company has a right to cancel any sanctioned but undrawn limits to any of its borrowers, EAD is assumed to be outstanding balance as on the reporting date.

**32.17** Disclosures pursuant to RBI Notification-RBI/2019-20/170 DOR (NBFC).CC.PD.NO.109/22.10.106/2019-20 Dated 13 March 2020- A comparison between provisions required under Income recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 'Financial instruments'

Asset classification as per RBI Norms (1)	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance (Provisions) as required under Ind AS 109	Net Carrying amount	Provision required as per IRACP norms	Difference between Ind AS 109 provision and IRACP norms
	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
<b>(a) Performing Assets</b>						
Standard	Stage 1	88.86	0.09	88.77	3.71	(3.62)
	Stage 2	180.17	0.00	180.17	0.45	(0.45)
Subtotal (a)		<b>269.03</b>	<b>0.09</b>	<b>268.94</b>	<b>4.16</b>	<b>(4.07)</b>

**Notes to Consolidated Financial Statements for the year ended 31 March, 2022**

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

Asset classification as per RBI Norms (1)	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance (Provisions) as required under Ind AS 109	Net Carrying amount	Provision required as per IRACP norms	Difference between Ind AS 109 provision and IRACP norms
<b>(b) Non-Performing Assets (NPA)</b>						
(i) Substandard	Stage 3	1,261.14	414.54	846.60	126.11	288.43
(ii) <u>Doubtful up to</u>						
1 year	Stage 3	969.96	478.65	491.31	628.52	(149.87)
1 to 3 years	Stage 3	3,766.48	2,636.56	1,129.92	3,027.77	(391.21)
More than 3 years	Stage 3	12,090.50	8,252.08	3,838.42	10,321.80	(2,069.72)
Subtotal (ii)		<b>16,826.94</b>	<b>11,367.29</b>	<b>5,459.65</b>	<b>13,978.09</b>	<b>(2,610.80)</b>
(iii) Loss	Stage 3	-	-	-	-	-
Subtotal (b)		<b>18,088.08</b>	<b>11,781.83</b>	<b>6,306.25</b>	<b>14,104.20</b>	<b>(2,322.37)</b>
<b>Total (a+b)</b>	Stage 1	88.86	0.09	88.77	3.71	(3.62)
	Stage 2	180.17	0	180.17	0.45	(0.45)
	Stage 3	18,088.08	11,781.83	6,306.25	14,104.20	(2,322.37)
	<b>Total</b>	<b>18,357.11</b>	<b>11,781.92</b>	<b>6,575.19</b>	<b>14,108.36</b>	<b>(2,326.44)</b>

**32.18 Salient Features of financials of Subsidiary Company as per the Companies Act, 2013:**

Sl. No.	Particulars	Subsidiary (Amulet Technologies Limited) (Refer Note Below)
1.	Reporting period of the subsidiary concerned, if different from the Holding Company's reporting period	N.A.
2.	Share Capital	25.00
3.	Reserves & Surplus	(26.39)
4.	Total Assets	1,377.37
5.	Total Liabilities	1,378.76
6.	Investments	Nil
7.	Turnover /Total Income	15.39
8.	(Loss) before tax	(131.93)
9.	Provision for tax	--
10.	(Loss) after tax	(131.93)
11.	Proposed Dividend	--
12.	% of shareholding	99.998%

Note: The Subsidiary has yet to start its commercial operations.

## Notes to Consolidated Financial Statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

### 32.19 Additional information pursuant to Schedule III of Companies Act, 2013

Name of Entity	Net Assets i.e. Total Assets minus Total Liabilities		Share in (Loss)	
	As % of consolidated net assets	Amount (Rs. in lakhs)	As % of consolidated profit	Amount (Rs. in lakhs)
Holding:				
Intec Capital Limited	79.77	5,430.02	100.77	221.77
Subsidiary:				
Amulet Technologies Limited	20.23	1,376.95	(0.77)	(1.70)

### 32.20 Title deeds of Immovable Properties not held in name of the Holding Company

Relevant line item in the Balance Sheet	Description of item property	Gross Carrying Value	Title Deeds held in the name of	Whether title deed holder is promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Property, plant & equipment	Land	4.82	Unitel Credit Private Limited (merged with Intec Capital Limited)	No	02/08/2006	Unitel Credit Private Limited merged with Intec Capital Ltd.; how-ever, Holding Company is in the process of registration of Title Deed.

### 32.21 Details of Loan & Advances in the nature of loan granted to Promoters, Directors, Key Management Personnel & the related parties

Type of Borrower	As at 31st March 2022		As at 31st March 2021	
	Amount outstanding	% of Total	Amount outstanding	% of Total
Promoters	--	--	--	--
Director	--	--	--	--
KMPs	--	--	--	--
<b>Related Parties</b>				
Pantec Devices Pvt. Ltd	47.97	0.26%	45.72	0.24%

### 32.22 Capital-Work-in Progress (CWIP)

Capital-work-in progress ageing schedule as at 31 March, 2022

CWIP	Amount in CWIP for a period of 31 March, 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	0.35	-	-	0.35
Projects temporarily suspended	-	-	-	-	



**Notes to Consolidated Financial Statements for the year ended 31 March, 2022**

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

**Capital-work-in progress completion schedule as at 31 March, 2022**

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 1	0.35	-	-	-	0.35

**Capital-work-in progress ageing schedule as at 31 March, 2021**

CWIP	Amount in CWIP for a period of 31 March, 2021				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.35	-	-	-	0.35
Projects temporarily suspended	-	-	-	-	-

**32.23 Wilful Defaulter:**

The Holding Company has not been declared wilful defaulter by any bank or financial institution or other lender Company and Subsidiary Company has not taken any loan/borrowing from any bank or financial institution or other lender Company, as such the declaration as wilful defaulter is not applicable.

**32.24 Relationship with Struck off Companies**

The Company has the transactions with the Company struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956, as under:

Name of Struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at 31 March, 2022	Relationship with the struck off company, if any, to be disclosed
Runit Fabrics Pvt Ltd.	Loan outstanding	9.65	No relation

**32.24 Ratio Analysis**

Particulars	Numerator	Denominator	31 March, 2022	31 March, 2021	% Variance	Reason for variance
Capital to risk-weighted assets ratio (CRAR)	Total Capital Funds	Risk Weighted Assets	17.36	15.44	+12%	-
Tier I CRAR	Net Owned Funds	Risk Weighted Assets	17.36	15.43	+12%	-
Tier II CRAR	Tier II Capital	Risk Weighted Assets	0.00	0.01	-100%	Due to decrease in provision on Loans
Liquidity Coverage Ratio	Cash & cash equivalents	Net Cash Out Flow	15.09	15.69	-4%	--

**32.26** Previous year figures have been reclassified / regrouped wherever necessary to conform to current year classification.

As per our report of even date  
**For S. P. Chopra & Co.**  
**Chartered Accountants**  
 Firm Registration No. 000346N

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

**(Gautam Bhutani)**  
 Partner  
 Membership No.: 524485

**(Sanjeev Goel)**  
 Managing Director  
 DIN: 00028702

**(S.K. Goel)**  
 Director  
 DIN: 00963735

Place: New Delhi  
 Date: 28 May, 2022

**(Vandana Das)**  
 Company Secretary  
 M. No. ACS – 53952

## Notes to Consolidated Financial Statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

### Annexure – I, as referred in Note 32.11

#### A. Schedule to the Balance Sheet, as required in terms of paragraph 18 of 'Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016

(Amount in Rs. Lakh)

Particulars		As at		As at	
Liabilities side:		31 March, 2022		31 March, 2021	
1	Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
(a)	Debentures:				
	Secured	-	-	-	-
	Unsecured	-	-	-	-
	(Other than falling within the meaning of public deposits)	-	-	-	-
(b)	Deferred credits	-	-	-	-
(c)	Term loan	908.71	907.73	1,424.09	1,396.35
(d)	Inter corporate loans and borrowings	-	-	-	-
(e)	Commercial paper (net of un-amortized discount on issue)	-	-	-	-
(f)	Public Deposits	-	-	-	-
(g)	Other loans:				
	Working capital demand loans from banks	-	-	-	-
	Cash credit/overdraft from banks	4,801.61	4,680.78	5,731.06	5,500.38
	<b>Total</b>	<b>5,710.32</b>	<b>5,588.51</b>	<b>7,155.15</b>	<b>6,896.73</b>

2	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):	Amount outstanding As at 31 March, 2022	Amount outstanding As at 31 March, 2021
a)	In the form of Unsecured Debentures	-	-
b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
c)	Other Public deposits	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

3	Assets side:	Amount outstanding As at 31 March, 2022	Amount outstanding As at 31 March, 2021
	Break-up of loans and advances including bills receivables {other than those included in (4) below}:		
	(a) Secured #	6,171.33	7,244.31
	(b) Unsecured #	403.86	430.70
	<b>Total</b>	<b>6,575.19</b>	<b>7,675.01</b>

# Comprises of loans which are disclosed net of provision for non-performing assets.

4	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	As at 31 March, 2022	As at 31 March, 2021
(i)	Lease assets including lease rentals under sundry debtors:		
	(a) Financial lease	-	-
	(b) Operating lease	-	-
(ii)	Stock on hire including hire charges, under sundry debtors:		
	(a) Assets on hire	-	-
	(b) Repossessed stock	-	-
(iii)	Other Loans counting towards AFC activities:		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

**Notes to Consolidated Financial Statements for the year ended 31 March, 2022**

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

5	Break-up of investments	Amount outstanding as at 31 March, 2022	Amount outstanding as at 31 March, 2021
	<b>Current investments:</b>		
1	<b>Quoted:</b>		
	(i) Shares:		
	(a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government securities	-	-
	(v) Others	-	-
2	<b>Unquoted:</b>		
	(i) Shares:		
	(a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government securities	-	-
	(v) Others	-	-
	<b>Long term investments:</b>		
1	<b>Quoted:</b>		
	(i) Shares:		
	(a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government securities	-	-
	(v) Others	-	-
2	<b>Unquoted:</b>		
	(i) Shares:		
	(a) Equity	6.84	6.84
	(b) Preference	-	-
	(ii) Debentures and bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government securities	-	-
	(v) Others	-	-
	<b>Total</b>	<b>6.84</b>	<b>6.84</b>

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

Category	Amount net of provisions As at 31 March, 2022			Amount net of provisions As at 31 March, 2021		
	secured	Total	Total	secured	Total	Total
1. Related Parties:						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related Parties	-	47.97	47.97	-	45.72	45.72
2 Other than related Parties	6,171.33	355.89	6,527.22	7,244.31	384.98	7,629.29
<b>Total</b>	<b>6,171.33</b>	<b>403.86</b>	<b>6,575.19</b>	<b>7,244.31</b>	<b>430.70</b>	<b>7,675.01</b>

## Notes to Consolidated Financial Statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

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

Category	As at 31 March, 2022		As at 31 March, 2021	
	Market value/ Break-up or Fair value or NAV #	Book value (net of Provisions)	Market Value/ Break-up or Fair Value or NAV #	Book value (net of Provisions)
1. Related Parties:				
(a) Subsidiaries				
(b) Companies in the same group	-	-	-	-
(c) Other related parties	1.16	1.16	1.16	1.16
2 Other than related parties	5.68	5.68	5.68	5.68
<b>Total</b>	<b>6.84</b>	<b>6.84</b>	<b>6.84</b>	<b>6.84</b>

8 Other information	As at 31 March, 2022	As at 31 March, 2021
(i) Gross Non-Performing Assets#		
(a) Related parties	-	-
(b) Other than related parties	18,088.08	18,851.26
(ii) Net Non-Performing Assets #		
(a) Related parties	-	-
(b) Other than related parties	6,306.25	7,218.89
(iii) Assets acquired in satisfaction of debts (net of provisions)	-	-

# These are unquoted shares and the fair value/NAV thereof is not less than their book value.

### B. Details of assignment transactions undertaken

Particulars	As at 31 March, 2022	As at 31 March, 2021
(i) No. of accounts	-	-
(ii) Aggregate value of accounts sold, gross exposure	-	-
(iii) Aggregate consideration for assigned portion	-	-
(iv) Additional consideration realised in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain/(loss) over net book value	-	-

### C. Disclosure of restructured accounts as required by the NBFC Master Directions issued by RBI

Type of restructuring – Others	Asset Classification				
	Standard	Sub-standard	Doubtful	Loss	Total
i) Restructured accounts as on 1 April, 2021					
No. of borrowers	1	-	-	-	1
Amount outstanding	194.56	-	-	-	194.56
Provision thereon	0.66	-	-	-	0.66

**Notes to Consolidated Financial Statements for the year ended 31 March, 2022**

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

Type of restructuring – Others	Asset Classification				
	Standard	Sub-standard	Doubtful	Loss	Total
No. of borrowers	-	-	-	-	-
Amount outstanding	-	-	-	-	-
Provision thereon	-	-	-	-	-

Type of restructuring – Others	Asset Classification				
	Standard	Sub-standard	Doubtful	Loss	Total
iii) Upgradations to restructured standard category during the FY-					
No. of borrowers	-	-	-	-	-
Amount outstanding	-	-	-	-	-
Provision thereon	-	-	-	-	-
iv) Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY-					
No. of borrowers	-	-	-	-	-
Amount outstanding	-	-	-	-	-
Provision thereon	-	-	-	-	-
V) Downgradations of restructured accounts during the FY-					
No. of borrowers	-	-	-	-	-
Amount outstanding	-	-	-	-	-
Provision thereon	-	-	-	-	-
vi) Write-offs/Settlements/Recoveries of restructured accounts during the F.Y					
No. of borrowers	1	-	-	-	1
Amount outstanding	22.58	-	-	-	22.58
Provision thereon	0.23	-	-	-	0.23
vii) Restructured accounts as on 31 March, 2022					
No. of borrowers	1	-	-	-	1
Amount outstanding	171.98	-	-	-	171.98
Provision thereon	0.43	-	-	-	0.43

**E. Disclosure pursuant to Reserve Bank of India Circular DOR.NBFC (PD) CC. No.102/03.10.001/2019- 20 dated November 4, 2019 pertaining to Liquidity Risk Management Framework for Non-Banking Financial Companies:****(I) Funding Concentration based on significant counterparty (borrowings)**

Particulars	As at 31 March, 2022
Number of significant counter parties*	-
Amount	-
Percentage of funding concentration to total liabilities	-

\*Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 4 November 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies.

## Notes to Consolidated Financial Statements for the year ended 31 March, 2022

(All amounts in Indian Rupees (Rs.) in lakhs, unless otherwise stated)

### (II) Top 10 borrowings

Particulars	As at 31 March 2022		As at 31 March, 2021	
	Amount	% of Total Borrowings	Amount	% of Total Borrowings
Top 10 lenders	5,710.32	100 %	7,155.15	100 %

\*Based on size of bond issuance/term loans from bank

### (III) Funding Concentration based on significant instrument/product\*

Significant instrument /product	As at 31 March, 2022		As at 31 March, 2021	
	Amount	% of Total Liabilities	Amount	% of Total Liabilities
Borrowings	5,710.32	100 %	7,155.15	100 %
Total	5,710.32	100 %	7,155.15	100 %

### (IV) Stock Ratios

Particulars	% to total public funds	% to total liabilities	% to total assets
<b>As at 31.03.2022</b>			
Other short-term liabilities	-	5.70 %	2.71 %
<b>As at 31.03.2021</b>			
Other short-term liabilities	-	4.65 %	2.49 %

---- The End ----

## NOTICE OF 28<sup>th</sup> ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 28<sup>th</sup> Annual General Meeting of members of Intec Capital Limited will be held on 05<sup>th</sup> September, 2022 at 12:00 Noon., through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

### **ORDINARY BUSINESS:**

**Item No. 1: To consider and adopt the Audited Financial Statement of the Company for the financial year ended March 31, 2022 both Standalone and Consolidated, the reports of the Board of Directors and Auditors thereon.**

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

#### **"RESOLVED THAT:**

1. The Audited Standalone Financial Statements of the Company for the Financial Year ended on 31<sup>st</sup> March, 2022 and reports of Board of Directors, Auditors thereon laid before this meeting, be and are hereby considered and adopted.
2. The Audited Consolidated Financial statements of the Company for the Financial Year ended on 31<sup>st</sup> March, 2022 along with reports of Auditors thereon laid before this meeting, be and are hereby considered and adopted".

**Item No. 2: Appointment of Mr. Sanjeev Goel (DIN: 00028702) Managing Director who retires by rotation and being eligible, offers himself for re-appointment.**

To consider and, if thought fit, to pass with or without modification, the following Resolutions as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to Section 152 and other applicable provisions, if any of the Companies Act, 2013 read with Articles of Association of the Company Mr. Sanjeev Goel, Managing Director who retires by rotation at this meeting and being eligible has , offers himself for re-appointment, be and is hereby re-appointed as a director of the company, liable to retire by rotation.

Mr. Sanjeev Goel, Managing Director and or Company Secretary of the Company be and are hereby jointly or severally authorized to do all such acts, deed and things as may be deemed necessary to give effect to the foregoing resolution."

**Item No. 3: Re-appointment of Statutory Auditors to hold office for second block of five (5) years from conclusion of 28<sup>th</sup> Annual General Meeting until conclusion of 32<sup>nd</sup> Annual General Meeting and fixing their remuneration thereof.**

To consider and, if thought fit, to pass with or without modification, the following Resolutions as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013("Act") read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), on the recommendation of audit committee and on the recommendation of Board, the approval of the members be and is hereby accorded to re-appoint M/s. S. P. Chopra & Co., Chartered Accountants (Firm No.000346N), as the Statutory Auditors of the Company for a second term of 5 years from the conclusion of 28<sup>th</sup> Annual General Meeting until conclusion of 32<sup>nd</sup> Annual General Meeting for conducting the Annual Statutory Audit for the respective Financial Years viz. starting from Financial Year 2022-2023 till Financial Year 2026-2027, to examine and audit the accounts of the Company at such remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company.



#### **SPECIAL BUSINESS:**

**Item No. 4: Appointment of Mrs. Shalini Rahul (DIN: 09357650), as Non-Executive Independent Women Director of the Company who is appointed by Board of Directors for a consecutive period of five (5) years.**

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

**“RESOLVED THAT** Mrs. Shalini Rahul (DIN: 09357650), who was appointed as an Additional Director of the Company with effect from October 13, 2021 by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, and who holds office up to the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (‘Act’) [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] , Articles of Association of the Company and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

**“RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Act read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’), as amended from time to time, the appointment of Mrs. Shalini Rahul, that meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Woman Director of the Company, for a term of five years, i.e., from October 13, 2021 to up to October 12, 2026 (both days inclusive), and who would not be liable to retire by rotation, be and is hereby approved.”

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

**Registered Office:**

**Intec Capital Limited  
(CIN: L74899DL1994PLC057410)  
708, Manjusha Building 57,  
Nehru Place,  
New Delhi-110019**

**For Intec Capital Limited  
By order of Board of Directors**

**Place: New Delhi  
Date: 5<sup>th</sup> August, 2022**

**Vandana Das  
(Company Secretary)**

**Explanatory statement pursuant to section 102 of the Companies Act, 2013:**

**Item No. 4:**

In terms of the Appointment and Remuneration Policy of the Company (the “Policy”) and pursuant to the recommendation of the Nomination and Remuneration Committee (the “Committee”), the Board of Directors of the Company (the “Board”) through Circular held on October 13, 2021, appointed Mrs. Shalini Rahul (DIN: 09357650) as an Additional Director in the category of Independent Director with effect from the said date. Pursuant to the provisions of Section 161 of the Companies Act, 2013 (the “Act”), Mrs. Shalini Rahul (DIN: 09357650) hold office upto the date of ensuing AGM and is eligible for appointment as Director of the Company. As per Section 149 of the Act, an Independent Director shall hold office for a term upto five consecutive years on the Board of a company and shall not be liable to retire by rotation. Notice under Section 160 of the Act has been received from a member intending to propose the candidature of Mrs. Shalini Rahul (DIN: 09357650) for appointment as Director of the Company. Mrs. Shalini Rahul (DIN: 09357650) whas given her consent to act as Director. She is not disqualified from being appointed as Director in terms of Section 164 of the Act. The Company has also received declaration from her stating that she meets the criteria of independence as stipulated under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”). Additional information in respect of Mrs. Shalini Rahul (DIN: 09357650), pursuant to the Listing Regulations and the Secretarial Standard on General Meetings, is appearing in **Annexure-A** to this Notice.

She is neither disqualified nor restrained / debarred from holding the office as a Director of the Company by virtue of any SEBI order or any other Authority.

Mrs. Shalini Rahul (DIN: 09357650), the proposed appointee, and his relatives are interested in this Resolution. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, are interested, financially or otherwise, in this Resolution. The Board recommends this Resolution set out at Item No.4 of the Notice for the approval of the members by way of Special Resolution.

## Annexure –A

### Details of Appointment/Re-appointment of Non –Executive Independent Director

Particulars	Mrs. Shalini Rahul
Director Identification Number (DIN)	09357650
Date of Birth / Age	19/11/1972 and 49 years
Qualifications	Ph.D (FPM) from Management Development Institute (MDI), Gurgaon, India. FDP from Indian Institute of Management, Ahmedabad (IIM-A), MBA in Marketing and Finance, M.Sc and NET qualified.
Experience (including expertise in specific functional area) / Brief Resume	<p>She is an Associate Professor in the area of Strategy, Innovation &amp; Entrepreneurship at IMT Ghaziabad. She is currently the Chairman for Fellow Program in Management (equivalent to the Doctoral Program). She is also the NISP Coordinator (National Innovation and Start-Up Policy) for the institute and Faculty Mentor for the Entrepreneurship Cell (E-Cell).</p> <p>She is a very active and engaged trainer and facilitator. She has successfully delivered training programs to well-known corporate giants such as – Reckitt Benkiser, Coca Cola (India), GMR – Delhi Airport Authority of India, The Times of India (Bennett Coleman Ltd.), AMDOCS, Hero Moto Corp Ltd. , Indian Postal Academy , etc. She has attended several training programs on upcoming knowledge domains such as Design Thinking by KPMG, Strategic Thinking and Leadership by Wharton, Penn University, and Creative Strategy by Columbia Business School, USA.</p> <p>She is a strategic advisor to a Private Equity firm. She is also empaneled to be an Independent Director. She is an Independent Director at Cranex Limited. She is also an Associate Editor to Emerald Emerging Markets Case Studies Journal.</p> <p>She has been invited to deliver several programs at International Institutions such as- The Burgundy School of Business (France), The KEDGE Business School (Bordeaux, France), EESCA Business School (Shanghai, China) &amp; IMT Dubai.</p> <p>She has presented her research at various prestigious conferences and forums such as Academy of Management (AoM), Eastern Academy of Management, Australia &amp; New Zealand Academy of Management Conference, Smart Business Networks initiative, International Conference on Knowledge Management, Asia Pacific Knowledge Management Conference, and so on.</p>
Appointment / Re-appointment	Appointment
Terms and Conditions of Appointment / Re-appointment	As per the appointment letter.
Date of first appointment on the Board	13/10/2021
Shareholding in the Company as on March 31, 2022	NIL
Relationship with other Directors / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel of the Company.
Number of meetings of the Board attended during the year	2
Directorships of other Boards as on March 31, 2022	Cranex Limited
Membership / Chairmanship of Committees of other Boards as on March 31, 2022	NIL

## NOTES:

1. The Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020, and May 5, 2022 (collectively referred to as "MCA Circulars") permitted the holding of the "AGM" through Video Conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Explanatory Statement setting out material facts pursuant to section 102(1) of the Act, which sets out details relating to Special Business to be transacted at the Meeting, is appended hereto.
3. The term of M/s. S. P. Chopra & Co., Chartered Accountants (Firm No.000346N), as the Statutory Auditors of the Company is expiring at this Annual General Meeting. On the recommendation of audit committee, the approval of the members be and is hereby accorded to re-appoint S. P. Chopra & Co., Chartered Accountants (Firm No.000346N), as the Statutory Auditors of the Company for a second term of 5 years from the conclusion of 28th Annual General Meeting until conclusion of 32<sup>nd</sup> Annual General Meeting for conducting the Annual Statutory Audit for the respective Financial Years viz. starting from Financial Year 2022-2023 till Financial Year 2026-2027.
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circular through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in the order of the names will be entitled to vote at the meeting.
6. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC/OAVM. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting/e-voting at the AGM.
7. Pursuant to the provisions of Section 91 of the Act the register of members and share transfer books of the Company will remain closed from Tuesday 30<sup>th</sup> August, 2022 to Monday 05<sup>th</sup> September 2022 for the purpose of the AGM.
8. Brief profile and other additional information pursuant to Regulation 36 (3) of the listing regulations and Schedule V of the Act and Secretarial Standard on General Meetings (SS-2) issued by The Institute of Company Secretaries of India, in respect of the Directors seeking appointment/reappointment at the AGM, is furnished along with explanatory statement annexed to the Notice and in the annual report of the company. The Directors have furnished consent/declaration of their appointment/re-appointment as required under the Act and the Rules made thereunder.
9. Members are requested to address all correspondence, to Beetal Financial & Computer Services Pvt. Ltd. 99 Madangir, Behind LSC New Delhi -110062 who is acting as our Registrar and Share Transfer Agent ("RTA"). Please quote your folio number and our Company's name in all your future correspondences.
10. Members wishing to claim dividends that remain unclaimed are requested to correspond with the RTA as mentioned above, or the Company Secretary, at the Company's Registered office mentioning the relevant Folio number or DP Id and Client Id, for issuance of demand draft. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend account, shall, as per section 125 of the Act, be transferred to the Investor Education and Protection fund (IEPF). Shares on

which dividend remains unclaimed for seven consecutive years will be transferred to IEPF as per Section 125 of the Act, and the applicable rules.

The Company has uploaded the details of unpaid and unclaimed dividends lying with the Company on the website of the Company and the same can be accessed through the link: <http://www.inteccapital.com/investors/investor-information/unclaimed-unpaid-amount-of-dividends-deposits/>. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link [www.iepf.gov.in](http://www.iepf.gov.in).

11. We urge members to support our commitment to environmental protection by choosing to receive their shareholding communication through email. You can do this by updating your email address with your depository participant. Members holding shares in physical mode are also requested to update their email addresses by writing to the RTA of the Company quoting their folio number. Members may also note that even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same.
12. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 5, 2022, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website [www.inteccapital.com](http://www.inteccapital.com), websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).
13. Members holding shares in electronic form are requested to intimate all changes pertaining to their bank particulars, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their respective Depository Participant (DP).
14. Members may join the 28th AGM through VC Facility by following the procedure as mentioned below in the notice, which shall be kept open for **the Members from 11.45 a.m. IST i.e.** 15 minutes before the time scheduled to start the 28th AGM and the Company may close the window for joining the VC Facility, 15 minutes after the scheduled time to start the 28<sup>th</sup> AGM. Attendance of members will be counted as the members who have successfully logged in through VC or OAVM and shall be counted for the purpose of reckoning of the quorum under section 103 of the Act.
15. As Amended by SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 dated June 08, 2018 members holding shares in physical form are mandatorily required to dematerialize their holding in order to eliminate all risks associated with physical shares. In view of the above, members are advised to dematerialize shares held by them in physical form, as the securities of listed Company can be transferred only in dematerialized form with effect from April 01, 2019 except in case for transmission or transposition of securities. Members can contact the Company or RTA for further assistance.
16. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to RTA in case the shares are held in physical form.
17. The Company has been maintaining, inter alia, the following statutory registers at its registered office at 708, Manjusha Building, 57 Nehru Place, New Delhi – 110019:
  - i) Register of contracts or arrangements in which directors are interested under Section 189 of the Act.
  - ii) Register of directors and key managerial personnel and their shareholding under Section 170 of the Act.

In accordance with the MCA Circulars, the Statutory Registers will be made accessible for inspection through electronic mode and Members seeking to inspect such documents can send an e-mail [complianceofficer@inteccapital.com](mailto:complianceofficer@inteccapital.com)

18. Members desirous of getting any information about the accounts and/or operation of the Company are requested

to write to the Company at least seven days before the date of the meeting to enable the Company to keep the information ready at the meeting.

19. Relevant documents referred to in the notice will also be available for electronic inspection without any fees by the members from the date of this notice upto the date of the meeting.
20. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / RTA.
21. Members who hold shares in the physical form in the multiple folios in identical names or joint holdings in the same order of names are requested to send the Share Certificate to RTA, for consolidation into single folio.
22. In compliance with Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, (as amended), and the Regulation 44 of the Listing Regulations, the Company is pleased to offer remote e-voting facility to the members to enable them to cast their votes electronically from a place other than the venue of the AGM ('Remote E-voting') on all resolutions set forth in this Notice as well as online voting on the date of the AGM. Members who have cast their votes by remote e-voting prior to the Meeting may attend the Meeting but shall not be entitled to cast their votes again. The instructions for e-voting are annexed to the Notice.

The Company has appointed CS Priyank Kukreja, Practicing Company Secretary to act as the Scrutinizer for remote e-voting and e-voting to be carried out at the Meeting in a fair and transparent manner.

23. The Remote **e-voting starts at 10.00 A.M. on Friday, 02<sup>nd</sup> September 2022 and ends at 05.00 P.M. on Sunday, 04<sup>th</sup> September, 2022.** The remote e-voting module will be disabled by CDSL for voting thereafter. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. **Monday, 29<sup>th</sup> August 2022** (cut off date) may cast their vote electronically.
24. The voting rights of shareholders shall be in proportion to their equity shares in the paid up equity share capital of the Company as on **Monday, 29<sup>th</sup> August 2022** (cut off date).
25. The final results including votes casted during the AGM and votes casted through remote e-voting shall be declared within 48 hours of conclusion of meeting. The final results along with the scrutinizer's report shall be placed on the Company's website [www.inteccapital.com](http://www.inteccapital.com), website of stock exchange [www.bseindia.com](http://www.bseindia.com) and on CDSL's website [www.evotingindia.com](http://www.evotingindia.com), immediately after the result is declared by the Chairman.
26. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

#### **THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

**Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2** : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins at **10 a.m. on Friday, 02<sup>nd</sup> September, 2022 and ends at 5.00 p.m. on Sunday, 04<sup>th</sup> September, 2022.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Monday, 29<sup>th</sup> August 2022** August, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.



- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/ retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

**Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:**

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>



**Individual Shareholders holding securities in demat mode with NSDL Depository**

- 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <https://eservices.nsdl.com> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
- 2) If the user is not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com>. Select "Register Online for IDeAS" Portal or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
- 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting

**Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)**

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.**

- (v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat.	
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
<b>Dividend Bank Details</b> <b>OR Date of Birth (DOB)</b>	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be

displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

**(xvii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [complianceofficer@inteccapital.com](mailto:complianceofficer@inteccapital.com) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

#### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 5 days prior to meeting mentioning their name,

demat account number/folio number, email id, mobile number at [complianceofficer@inteccapital.com](mailto:complianceofficer@inteccapital.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [complianceofficer@inteccapital.com](mailto:complianceofficer@inteccapital.com). These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

#### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. **1800 22 55 33**

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. **1800 22 55 33**.

27. Any person who acquires shares of the Company and becomes member of the Company after dispatch of the notice of AGM and holding shares as on the cut-off date i.e. **Monday, 29<sup>th</sup> August 2022**, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). However if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote.
28. Members who have received the Notice by email and who wish to **receive the Notice in physical form** are requested to e-mail such request to the Company at [complianceofficer@inteccapital.com](mailto:complianceofficer@inteccapital.com)

**Registered Office:**  
Intec Capital Limited  
(CIN:L74899DL1994PLC057410)  
708, Manjusha Building 57,  
Nehru Place,  
New Delhi-11001

**By order of Board of Directors**  
**For Intec Capital Limited**

**Vandana Das**  
**Company Secretary**

**Place: New Delhi**  
**Date: 5<sup>th</sup> August, 2022**



**intec**  
CAPITAL LIMITED

Sapne Aapke, Bharosa Apno Ka