



TWENTY SECOND ANNUAL REPORT

2010- 2011

Intertec Technologies Ltd.
(Formerly Intertec Communications Ltd)

BOARD OF DIRECTORS

K. Vijaya Raghavan
T. S. Ravi Chandar
B K Amarnath
M. V. Santharam
P. Srinivas

COMPANY SECRETARY

R. Nagarajan

REGISTERED OFFICE

No. 28, Shankar Mutt Road
Bangalore - 560 004

BANKERS

Axis Bank Ltd.

AUDITORS

H M V Murthy & Co.,
Chartered Accountants
410-411, Auto Towers
No. 9, J. C. Road
Bangalore - 560 002.

SHARE TRANSFER AGENT

Karvy Computershare Private Limited
17-24, Beside Image Hospital,
Vittal Rao Nagar, Madhapur
Hyderabad - 500 081

NOTICE

Notice is hereby given that the 22nd Annual General Meeting of the Members of Intertec Technologies Limited, (Formerly Intertec Communications Limited) will be held at 10:00 AM on Wednesday, 28th September 2011, at Manandi Samskriti Sadana, #317, 9th Main, Opp 42nd Cross, 5th Block, Jayanagar, Bangalore – 560 041 to transact the following business: -

1. To receive, consider and adopt the Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the year ended on that date and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. B.K.Amarnath who retires by rotation and being eligible for re-appointment, offers himself for reappointment.
3. To appoint a Director in place of Mr. T.S.Ravichandar who retires by rotation and being eligible for re-appointment, offers himself for reappointment.
4. To appoint H M V Murthy & Co Chartered Accountants retiring Auditors to hold office from conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification, the following as an Ordinary Resolution:
RESOLVED THAT, pursuant to applicable provisions of the Companies Act, 1956, and Subject to the Articles of Association of the Company, Mr. K.S. Ekalavya be and is hereby appointed as Director of the Company, who is liable to retire by rotation
RESOLVED FURTHER THAT, all directors of the Company be and are hereby severally authorised to file Form 32 and such other documents with the Registrar of Companies, Karnataka, intimating the above change in the Board.
6. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:
RESOLVED THAT, pursuant to applicable provisions of the Companies Act, 1956, and Subject to the Articles of Association of the Company, Mr. R.Prithviraj be and is hereby appointed as Director of the Company, who is liable to retire by rotation
RESOLVED FURTHER THAT all directors of the Company be and are hereby severally authorised to file Form 32 and such other documents with the Registrar of Companies, Karnataka, intimating the above change in the Board.
7. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:
RESOLVED THAT pursuant to applicable provisions of the Companies Act, 1956, and Subject to the Articles of Association of the Company, Mr.Subramanyam be and is hereby appointed as Director of the Company, who is liable to retire by rotation
RESOLVED FURTHER THAT all directors of the Company be and are hereby severally authorised to file Form 32 and such other documents with the Registrar of Companies, Karnataka, intimating the above change in the Board..

NOTES:

1. A member entitled to attend and vote, is entitled to appoint a proxy to attend and vote instead of him/her self and the proxy need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the Registered office of the Company at least 48 hours before the commencement of the meeting, in order to be effective.
2. The register of members and share transfer books of the Company will remain closed from September 23, 2011 to September 28, 2011 (both days inclusive).
3. Members are requested to notify change in their address to the Company's Share Transfer Agent, M/s Karvy Computershare Private Limited, 17-24, Beside Image Hospital, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081 immediately.
4. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.

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5. Members who hold shares in dematerialized form are requested to write their Client ID and DPID and those who hold shares in Physical form are requested to write their Folio Number in the Attendance Slip for attending the meeting.

For and on behalf of the Board

Place: Bangalore

T.S. RAVI CHANDAR

Date: 3rd September 2011

Managing Director

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

Item 5

Mr. K.S.Ekalavya is a MBA (Finance) Post graduate spanning a rich experience of over 10 years in Merchant Banking.

Mr.K.S. Ekalavya was allotted 5,14,285 Equity Shares on a preferential basis during the EGM held on 6/12/2010. Mr.Ekalavya is at present the CEO of Intertec's wholly owned subsidiary Cimotec Hydromachines (P) Ltd.. Accordingly, it is proposed to appoint K.S.Ekalavya as a Director of the company.

None of the Directors of the Company is concerned or interested in the resolution.

The Board of Directors commends the resolution for your approval.

Item 6

Mr. R.Prithviraj is a MBA, and also a qualified Law graduate and also an entrepreneur with a rich experience of 30 years in the field of manufacturing industries. Mr R Prithvi Raj was allotted 2,928,57 Equity Shares on a preferential basis during the EGM held on 6/12/2010.

Accordingly, it is proposed to appoint R.Prithviraj as a Director of the company.

None of the Directors of the Company is concerned or interested in the resolution.

The Board of Directors commends the resolution for your approval.

Item 7

Mr. Subramanyan is a qualified Chemical engineer and a successful entrepreneur with a rich experience of 30 years. Mr Subramanyam was allotted 439286 Equity Shares on a preferential basis during the EGM held on 6/12/2010.

Accordingly, it is proposed to appoint Subramanyan as a Director of the company.

None of the Directors of the Company is concerned or interested in the resolution.

The Board of Directors commends the resolution for your approval.

For and on behalf of the Board

Place: Bangalore

T.S. RAVI CHANDAR

Date: 3rd September 2011

Managing Director

DIRECTORS REPORT

Your Directors have pleasure in presenting the 22nd Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2011.

Financial Results:

The Financial position of the Company for the financial year ended 31-3-2011 is summarized below:

Particulars	Year ended 31/03/2011 (Rs.in lacs)	Year ended 31/03/2010 (Rs.in lacs)
Profit before depreciation, Interest, & Tax	33.72	28.65
Less: Depreciation	7.07	1.67
Less: Financial Charges	0.22	2.72
Profit before tax	26.42	24.33
Less: Provision for current Taxation	9.00	2.00
Less: Provision for current FBT	0.00	0.00
Profit after tax	17.42	22.33
Add/(Less): Excess provision for tax for earlier period	0.00221	0
Add: b/f from previous year	208.99	186.65
Amount available for appropriation	226.42	208.99
APPROPRIATIONS:		
Carried to Balance Sheet	226.42	208.99

Results of Operations:

Your Company has had a reasonable year. The total revenue has increased from Rs. 100.33 lacs in the previous year to Rs.150.70 lacs, registering an increase of 50.20%. The operating results have increased from a profit of Rs.24.33 lacs in the previous year to a profit of Rs.26.42 lacs registering a increase of 8.59%. The net result after tax & Fringe Benefit Tax has decreased from a net profit of Rs. 22.33 lacs in the previous year to a net profit of Rs.17.42 lacs.

Dividends:

Your Directors regret to express their inability to recommend any dividend due to inadequate profits and they propose to retain the earnings for improved operations in the future.

Share Capital:

During the period under review, the paid up share capital of the Company and share premium has increased as follows: at Rs. 756.07 lacs (PY: 528.46 lacs) and Rs. 1399.15 lacs (PY: Rs. 840.13 lacs) respectively.

Business:

The Company is focused in the area of Business Service Management, which is an emerging area in the IT Service Management space. The Company is also engaged in Business Process Automation solutions, to clients in North America, Europe and India.

The Year Ahead:

The company management is of the opinion that under the current global economic condition and being in the SME segment (Small and Medium Enterprises) we cannot sustain and generate value by focusing on traditional software services. We have witnessed significant drop in enquiry levels and also pressure on rates. Our focus on being a niche player has helped us sustain a profitable operation even under the current market condition. We continue to invest in building long term value by :

- o Intellectual property centric solutions
- o Working in specialized vertical solution area based on our IP core.

Our revenues have fluctuated and may fluctuate in the

future also depending on a number of factors, such as:

- the size, timing and profitability of significant projects or product orders;
- seasonal changes that affect the change in the mix of services we provide to our clients or in the relative proportion of services and product revenues;
- currency exchange fluctuations.

This will require us to continue to develop and improve our operational, financial and other internal controls. Our continued growth will increase the challenges involved in:

recruiting and retaining sufficiently skilled technical, marketing and management personnel;

providing adequate training and supervision to maintain our high quality standards; and

preserving our culture, values and entrepreneurial environment.

Management 's Discussion and Analysis Report:

Management 's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the stock exchanges in India, is presented in separate section forming part of the Annual Report.

Subsidiaries:

Ministry of Company Affairs, Government of India, vide order no.47/108/2008-CL-III dated April 16,2008 has granted approval that the requirement to attach various documents in respect of subsidiary companies, as set out in sub section(1) of Section 212 of the Companies Act, 1956, shall apply to the Company. Accordingly, the Balance Sheet, Profit and Loss account and other documents of the subsidiary companies are being attached with the Balance Sheet of the Company. Financial information of the Subsidiary companies, as required by the order, is disclosed in the Annual Report.

Intertec Forge Private Ltd, (Formerly de-two forging Pvt. Ltd.) Bangalore, India, Intertec America Inc., USA, and Cimotec Hydro Machines Private Ltd are the wholly owned Subsidiary Companies.

Directors:

Mr. T.S.Ravi Chandar and Mr. B.K. Amarnath Director's of the Company retire by rotation and being eligible; offer themselves for re-appointment at the

ensuing Annual General Meeting. Brief resume of the Directors proposed to be reappointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter se, as stipulated under Clause 49 of the Listing Agreement with the stock exchanges in India, are provided in the Report on Corporate Governance.

Directors' Responsibility Statement:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a) In the preparation of the annual accounts, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- b) The Directors have 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 as at March 31, 2011, and of the profit of the Company for the year ended on that date;
- c) The Directors have 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; and
- d) The Directors have prepared the annual accounts of the Company on a going concern basis.

Consolidated Financial Statements:

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements, the audited Consolidated Financial Statements are provided in the Annual Report.

Auditors:

M/s. H M V Murthy & Co., Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and they are eligible for re-appointment.

Particulars of Employees:

Information as required under the provisions of section 217(2A) of the Companies Act, 1956 read with the

Companies (Particulars of Employees) Rules, 1975, are not furnished, as there were no employee's for drawing salary prescribed under the rules.

Transfer of Unpaid and Unclaimed amounts to IEPF:

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, the declared dividends, and Application Money received by Company for allotment of shares and due for refund which remained unpaid / unclaimed for period of 7 years have been transferred by the company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the said Act.

Corporate Governance:

The Company is committed to maintain the highest standards of Corporate Governance. The Directors adhere to the requirements set out by the Securities and Exchange Board of India's Corporate Governance practices and have implemented all the stipulations prescribed. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of Annual Report. The declaration regarding compliance with company code of Business Conduct and Ethics for Directors and Management Personnel forms part of Report on Corporate Governance.

The requisite Certificate from the Auditors of the company, M/s. H M V Murthy & Co., confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is attached to this report.

Fixed Deposits:

The Company has not accepted any fixed deposits from the public during the year.

INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988:

a. Particulars of Conservation Of Energy:

The operations of the Company involve low energy consumption. However, adequate measures have been taken to conserve the consumption of energy.

b. Foreign Exchange Earning And Outgo:

During the year, the Company had an export income of Rs. 150.70 lacs (Previous Year Rs. 268.56 lacs). The foreign exchange outgo during the year was Rs NIL (PY Rs. 22.03 lacs)

c. Technology Absorption:

Your company does not contemplate any technical collaboration but will be developing and utilizing its own in-house technology.

Acknowledgments:

Your Directors wish to express their gratitude and thanks to all the associates of the Company, and look forward to their continued support in the future also.

For and on Behalf of the Board

Place: Bangalore

T.S. RAVI CHANDAR

Date: 30-5-2011

Managing Director

**MANAGEMENT DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

Overview

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, and the Generally Accepted Accounting Principles (GAAP) in India. The management of Intertec accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. In addition to the historical information contained herein, the following discussion includes forward looking statements which involve risks and uncertainties, including, but not limited to, risks inherent in the Company's growth strategy, dependence on certain clients, dependence on availability of qualified technical personnel and other factors discussed in this report.

Financial Review

1. Share Capital

The total shareholders' fund as at March 31, 2011 is Rs. 2445.93 lacs of which equity capital is Rs. 756.07 lacs comprising 7560735 equity shares of Rs. 10/- each.

2. Reserves and Surplus

2.1 As at March 31, 2011 the reserves and surplus of the Company aggregated to Rs. 1689.85 lacs as against Rs. 1117 lacs in the previous year an increase of Rs. 572 lacs i.e. 51.28 %.

2.2 Share premium account represents the premium collected on the 539,600 equity shares issued at a premium of Rs. 50/- per share to friends, relatives and associates and 12,10,400 equity shares issued at a premium of Rs. 50/- per share through an Initial Public Offer in the year 2000 and the 540,000 equity shares issued at a premium of Rs. 6.67/- per share to the shareholder's of Intertec Forge Pvt. Ltd (Formally De-Two Forging Private Limited) during the year 2004-05. (i.e. Rs. 36.00 lacs) A sum of Rs.1.35 lacs which was received on 5400 shares @ Rs.25/- per share, which have been forfeited, has been transferred to Capital Reserve A/c during 2004-05... Also included is share premium of Rs. 55903320/- collected on preferential allotment of 22,76,127 Equity Shares during the year.

3. Debt

3.1 The total secured debt as at March 31, 2011 is NIL. (PY: 11.69 lacs).

4. Unsecured loans

4.1 The Company has not availed any unsecured loans in the current year (PY:NIL).

5. Fixed Assets

5.1 During the year, the Company has invested additional amount of Rs 59,538 in fixed assets.

5.2 The Company had adequate internal accruals and liquid funds to meet the capital expenditure.

6. Investments

6.1 During the year, the company invested an additional capital of Rs 4,17,000,00 in its wholly owned subsidiary Intertec Forge Pvt.Ltd.(Formally De- Two Forging Pvt Ltd.) And Rs. 6,10,00000 in Cimotec Hydro Machines (P) Ltd.

And During the year, the company acquired Cimotec Hydro Machines (P) Ltd. through a share swap arrangement of 5,14,285 Equity Shares equivalent to Rs. 1,80,00,000/- (Rupees One Crore Eighty Lakhs Only) at face value of Rs 10 per share and share premium of Rs 25 per share of the Company in exchange of transfer of 18,00,000 Equity Shares held by Mr.K.S.Ekalvya and Mrs. Latha Srinivasan in Cimotec Hydro Machines Private Limited

The Company has acquired whole of the outstanding common stocks numbering 654000 fully paid of par value of 1 US Dollar of Intertec America Inc., USA, after obtaining the necessary approvals, (PY 654000 fully paid shares of 1 USD each) and 18,20,000 fully paid shares of Rs. 10/- each of Intertec Forge Pvt. Ltd. (Formally De -Two Forging Pvt Ltd.), (Wholly owned subsidiary).

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6.2 As per clause 32 of Listing Agreement with the Stock Exchanges, consolidated subsidiary accounts are furnished with that of parent company accounts.

7. Inventories

7.1 During the year closing stock of inventory is Rs 1.62 lacs.

7.2 The Company does not value the unbilled / unaccepted value of software products and services as at the year-end.

8. Sundry Debtors

8.1 The major customers of the Company are Turing SMI Group Ltd., in UK.

8.2 All the debtors are generally considered good and realizable,

8.3 The age profile is given below:

Period in days	Year ended 31/3/2011		Year ended 31/3/2010	
	Value in (Rs. Lacs)	%	Value in (Rs. Lacs)	%
Less than 180 days	100.70	32.41	29.37	10.03
More than 180 days	210.05	67.59	263.25	89.96
TOTAL :	310.75	100.00	292.62	100.00

8.4 A due from Companies under the same management is Rs. 376.12 lacs (PY: 447.32 lacs).

9. Cash and Bank balances

9.1 The bank balances includes Rs. Nil (PY Rs. 136 lacs) in fixed deposit accounts and Rs. 6.57 lacs (PY Rs. 17.87 lacs) in various current accounts. Which Includes Cash in Hand of Rupees 2.24 lacs

10. Loans and advances

10.1 Advances recoverable in cash, kind or value to be received, are primarily towards prepayments for value to be received have increased from Rs.115.45 lacs to Rs.197.55 is mainly due to Rs. 79.91 lacs paid towards land Advance . Rs. Nil lacs advance income tax is paid during the financial year (PY: Nil lacs). Tax deducted at source is Rs. 0.53 lacs (PY: 11.30 lacs)

10.3 Deposits represent electricity deposit, telephone deposit, and advances of like nature, and also Inter-Corporate Deposits.

11. Current Liabilities

11.1 Sundry creditors - for expenses include creditors for operational expenses, accrued salaries and benefits.

11.2 Dues to Companies under the same management are NIL (PY: NIL).

12. Provisions

12.1 Provision for taxation denotes estimated income tax liabilities, which is Rs. 9 lacs (PY: 2 lacs).

13. Preliminary Expenses

13.1 Preliminary expenses during the year is NIL (PY: NIL)

14. Financial Instruments

14.1 Letters of Credit - the Company has not utilized the same in the current year as well as the previous year.

14.2 Guarantees - the Company has utilized to the tune of Rs. 0.50 lacs (PY : Rs. 0.50 lacs)

15. Profit & Loss Account

15.1 Income

15.1.1 The Company derives its income from software development and software services.

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(Rs. in lacs)

Particulars	Year ended 31/3/2011		Year ended 31/3/2009	
	Value	%	Value	%
Software development & software service- Export & Domestic Sales	150.70	96.32	100.33	85.31
Interest & Other Income	5.75	3.68	17.28	14.69
TOTAL	156.45	100.00	117.61	100.00

15.2 Non-operating income

15.2.1 Non-operating income presently consists of income derived by the company from interest on deposits with banks and foreign exchange difference on the Foreign Currency account of the Company.

15.3 Expenditure

15.3.1 The total expenditure has increased from Rs. 93,27 lacs to Rs. 131.66 lacs which is an increase of 41.16%.

15.3.2 The software development expenses increased from 73.80 lacs to Rs 104.37 lacs

15.3.3 The Company incurred marketing, administration, provision for doubtful debts, bad debts written off and other expenses have increased to Rs.2729040 (PY: 1947844).

15.3.4

15.4 Operating profits / loss

15.4.1 During the year, the Company made an operating profit (Profit before depreciation and tax) of Rs. 33.4 lacs (PY: 26.01 lacs).

15.5 Interest and bank charges

15.5.1 The Company incurred an expenditure of Rs. 0.22 lacs as against Rs 2.71 lacs during the previous year.

15.6 Depreciation

15.6.1 The Company provided a sum of Rs. 7.07 lacs (PY: Rs. 1.67 lacs) towards depreciation on its assets as per its Accounting Policy.

15.7 Provision for tax

15.7.1 The Company has arrived at the tax liability of Rs.9 after considering the exemptions for income from software services under the Income Tax Act, 1961.

15.8 Net Profit / Loss

15.8.1 The net profit of the Company amounted to Rs. 17.42 lacs (PY : Rs. 22.33 lacs).

15.9 Earnings per share

15.9.1 Earnings per share as on the Balance Sheet date was Rs. 0.23 as against Rs. 0.42 (annualized) per share for the previous year.

15.10 Subsidiary Companies :

There are three wholly owned subsidiary companies which are material Non-Listed companies:

- a) Intertec Forge Pvt. Ltd. (Formally De-Two Forging Pvt. Ltd.), Bangalore, India.
- b) Cimotec Hydro Machines (P) Ltd.
- c) Intertec America Inc., USA

REPORT ON CORPORATE GOVERNANCE

The report on Corporate Governance is pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges and forms a part of the report of the Board of Directors. The Company has complied with all the applicable requirements of revised Clause 49 of the Listing Agreement.

1. Philosophy on the code of Corporate Governance

Intertec Technologies Limited, (Formerly Intertec Communications Limited) which endeavors to implement the best Corporate Governance practices by adhering to the well defined policy Framework, continuously reviews its policies and practices of Corporate Governance with a clear goal not merely to comply with statutory requirements in letter and spirit but also to implement the best international practices of Corporate Governance, in the overall interest of all the stakeholders. The Company's philosophy on Corporate Governance is to meet the aspirations and expectations of all stakeholders and the same is demonstrated in shareholders returns and performance of the Company. The cardinal principles such as accountability, independence, trust, responsibility, transparency, fair and timely disclosures, etc., serve as the means of implementing the philosophy of Corporate Governance. The Company is having the best policies and practices with respect to the employment and employee satisfaction and the same is reflected in the stability of senior management, low attrition across various levels and increased productivity.

Your Company has constantly striven to implement the best corporate Governance practices and we believe that it shall go beyond adherence to the regulatory framework. Your Company's corporate structure, business and disclosure practices have been aligned to its Corporate Governance Philosophy. We will continuously endeavor to improve in these aspects on an ongoing basis.

2. Board of Directors

(i) Composition and provisions as to Board and Committees:

The Board of Directors of the Company comprises 5 (five) Directors. Mr.T.S Ravichandar is the Chief Executive Officer & Managing Director. Mr. B K Amarnath is not a Independent Director, The remaining 3 (Three) Directors are Independent Non – Executive Directors.,

Meeting of the Board of Directors held during the year 2010-11 are detailed hereunder:

SL NO	DATE OF MEETING
1	26.05.2010
2	30.07.2010
3	30.10.2011
4	14.02.2011

(ii) (iii) (iv) The details of the Directors as on 31st March 2011 and their attendance at the Board / Last Annual General Meeting are as follows:

Name & Category	Date of Appointment	No of Board Meeting Attended	No of Membership in the Boards of other Companies	No of Membership of Board Committees in all Companies *	Chairmanships of Board Committees in all Companies **	Attended the last AGM (Yes/No)
Mr T.S Ravichandar / Promoter	29.09.2006	4	3	1	1	Yes
Mr K. VijayRaghavan / Independent	29.09.2006	4	3	2	1	Yes
Mr B.K. Amarnath / Independent	29.09.2006	4	9	2	1	Yes
Mr M.V. Santhanam / Independent	20.09.2000	3	2	1	1	Yes
Mr P. Srinivas / Independent	29.09.2006	2	2	1	1	Yes

*Membership across all companies excluding private Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956.

**Chairmanship and Membership of Audit Committee and Shareholders/Investors Grievance Committee only. Pursuant to the provisions of the Companies Act, 1956, Mr.T.S.Ravi Chandar and Mr.B.K.Amarnath, retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

Relationship between Directors:

No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 1956.

Code of conduct:

The Board of Directors of your Company have laid down a Code of Conduct ("the Code") applicable to all Board Members and Senior Management. A Declaration from the CEO to the effect that all the Board Members and Senior Management Personnel have affirmed compliance with "the code" forms a part of this report.

3. Audit Committee

(i) & (ii) The Company has a qualified and independent Audit Committee with three members. Mr.K.Vijaya Raghavan is the Chairman of the Committee and Mr. M.V Santhanam, Mr. P. Srinivas are the Members who are Independent Directors and Mr. B K Amarnath is a Non -Independent Director

The audit committee has the following powers:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The role of the Audit Committee includes the following:

1. Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are fairly stated.
2. Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
3. Reviewing the internal audit system and scope of internal audit.
4. Reviewing with the management the annual financial statement before submission to the Board with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement in the Board's Report, in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with the listing and other legal requirements relating to financial statements.
 - f. Disclosure of related party transactions.
 - g. Qualifications in the draft audit report.

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5. Reviewing, with management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc) the statement of funds utilized for purposes other than those stated in the offer documents / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this manner.
7. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of internal control system.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
9. Discussion with internal auditors on any significant findings and follow up thereon.
10. Reviewing the findings of any internal investigations, by the internal auditors into matters where there is suspected fraud or irregularity of a failure of internal control systems of a material nature and reporting the matter to the Board.
11. Discussions with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussions to ascertain any area of concern.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders shareholders (in case of non payment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
14. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

(iii) Four Audit Committee Meetings were held during the year 2010 - 11. The attendance is follows.

Name	Number of Meetings Attended
Mr K. Vijaya Raghavan	4
Mr M.V Santhanam	4
Mr B.K Amarnath	4

The requirements regarding Number of Meetings to be held, quorum and the time gap between two meetings were in accordance with the requirements of clause 49 of the listing agreements.

4. Remuneration Committee and Remuneration to Directors.

(i)/(ii) & (iii) The Board has constituted a Remuneration Committee to determine on their behalf and on behalf of the shareholders, the Company's policy on specific remuneration package for executive directors including pension rights and any other compensation.

The committee reviews and decides the overall remuneration of the key employees of the company including Managing Director and the Executive Directors.

Mr. K. Vijay Raghavan is the Chairman of the committee and Mr B.K. Amarnath and Mr. M.V. Santhanam are Members. The Chairman and Mr. M.V. Santhanam are Non executive, Independent Directors.

The committee has been empowered to review/recommend appointment and remuneration of the executive and non-executive Directors. The committee met once during the financial year where the Chairman and Mr B.K Amarnath and Mr.M.V.Santhanam, members were present.

(iv) Remuneration Policy:

Payment of remuneration to the Managing Director and to the Executive Directors is in accordance with the service contracts entered into with them, the terms and conditions of which are approved by the Remuneration Committee, the Board as well as shareholders of the Company. No sitting fees are paid to the Directors of the Company for attending the Board/Committee meetings.

The remuneration policy of the Company is aimed at motivating the employees to excel in their performance. It also recognizes the contribution of the employees and aim to retain talent in the organization and reward merit. The remuneration paid is commensurate with industry standards.

(v) (a). The details of the remuneration paid to the Directors during the year 2010-11 are given below:

Name of the Director	Salary	Perquisites	Total
Mr T.S Ravichandar	NIL	NIL	NIL
Mr K. Vijaya Raghavan	NIL	NIL	NIL
Mr M.V Santhanam	NIL	NIL	NIL
Mr B.K Amarnath	NIL	NIL	NIL
Mr P.Srinivas	NIL	NIL	NIL

5. Shareholders / Investors Grievance committee:

- (i) The Shareholders and Investors Grievance Committee of the Board is empowered to oversee the redressal of investors' complaints pertaining to share transfer, non-receipt of annual reports, dividend payments, issue of duplicate certificates, transfers and transmission shares and other miscellaneous complaints. The committee also approves the transfer/transmission etc., of shares.

The shareholders/investors Grievance committee consists of the following Directors.

Mr K. Vijaya Raghavan	Chairman
Mr T.S Ravichandar	Member
Mr M.V Santhanam	Member

During the year, one meeting was held and the attendance was as follows.

Name of the Member	No of Meetings Attended
Mr K.Vijaya Raghavan	1
Mr T.S Ravichandar	1
Mr M.V Santhanam	1

- (i) Mr. R. Nagarajan , Company Secretary, acts as a Compliance Officer.
- (iii) (iv) & (v) the total number of complaints received and replied to the satisfaction of shareholders during the year under review was Nil. There were no outstanding complaints as on 31st March 2011.

6. General Meetings:

- (i) & (ii) Location and time where last three AGMs were held and the Special Resolutions passed.

Intertec Technologies Ltd.

Financial Year	2007-08	2008-09	2009-10
Date, Time and Venue	September 30,2008 10.00AM Hotel Pai Vijay #530/58, 33rd Cross, 11th Main, Jayanagar 4th Block, Bangalore -11	September 30,2009 10.00AM "Pai Viceory", No 1504, 16th Cross 9th Main, Jayanagar 3rd Block, Bangalore -11	29th September 2010 10.00AM Hotel Pai Vijay #530/58, 33rd Cross, 11th Main, Jayanagar 4th Block, Bengaluru - 500 011.
Special Resolutions Passed	No Special Resolutions were passed during 2007-08	No Special Resolutions were passed during 2008-09	No Special Resolutions were passed during 2009-10 <ul style="list-style-type: none"> • Change of name to "Intertec Communications Ltd" • Approval for listing On BSE/NSE • Increase in Authorised Share Capital to Rs 12 Crores and amendment to MOA and AOA • Approval for preferential allotment of 2271427 Equity Shares

(iii) During the financial year 2010-2011 the company has convened one Extra ordinary General Meeting at Manandi Samskriti Sadana, No.317, 9th Main, Opposite 42nd Cross, 5th Block Jayanagar, Bangalore-41 on 6th December 2010 and passed following special resolutions.:-

1. Authorising the Board of Directors for listing of 540000 equity shares of Rs.10/- each which were originally issued on 29th September 2005.
2. Allotment of 5400 equity shares of the Company on a preferential basis to M/s Alpha Mail Fast Private Limited.
3. Authorising the Board to create, issue, offer and allotment of shares to Mr K.S Ekalavya for consideration otherwise than cash.

4. Raising capital of Rs.6,15,000,00 through a private equity arrangement by authorising the Board to create, issue, offer and allotment of 17,57,142 shares to the following individuals for cash consideration.
 - a. Mrs. Padma Subramanyam
 - b. Mr. Kalyanarama Subramanyam
 - c. Mr.R.Prithiviraj
 - d. Mr. R.Bharath
 - e. Mr. R.Tejaswi
5. Transfer the assets and liabilities and the business of M/s Intertec Forge Pvt. Ltd. (Formally De -Two Forging Pvt. Ltd) to M/s Intertec Technologies Limited.

7. Disclosures:

- (i) Basis of Related party transaction

Your Company places details with respect to related party transactions before the Audit Committee periodically.

No transaction of a material nature has been entered into by the Company with Directors or Management and their relatives etc. that may have a potential conflict with the interest of the Company.

- (ii) There has been no instance of non-compliance by the company on any matter related to capital markets. Hence, the question of penalties or strictures being imposed by SEBI or Stock Exchanges does not arise.
- (iii) Whistle Blower policy is at present not adopted by the Company.
- (iv) All the Mandatory requirements of corporate governance clause have been complied with by the Company and compliance with non-mandatory requirements have been detailed under SL No.10 of this report.
- (v) Disclosure of accounting treatments
Your Company has followed all relevant Accounting Standards while preparing the financial statements.
- (vi) Risk Management
The Company has laid down risk assessment and minimization procedures which are in line with the best practices in the industry and as per its experience and objectives. The risk management system is reviewed periodically and updated.
- (vii) No significant material transaction has been made with the non-executive directors vis-à-vis the Company.
- (viii) The number of shares held by the Directors as on 31st March 2011 is as follow:

Name	No of Shares	% of Holding
Mr T.S Ravichandar	1743960	23.06 %
Mr K. Vijaya Raghavan	65000	0.85 %
Mr M.V Santhanam	500	0.0006 %
Mr B.K Amarnath	Nil	NA
Mr P.Srinivas	90,000	1.19 %

Intertec Technologies Ltd.

(ix) CEO/CFO Certification.

CEO/CFO has given a certificate to the Board as contemplated in Clause 49 the listing agreements.

8 A. Means of communication

(i) & (ii) The annual, half yearly and quarterly financial results are regularly submitted to the Stock exchanges in accordance with the listing agreement and the same published in leading newspapers as required under the Listing Agreement.

(iii) The financial result of the company is displayed on the Company's Website www.intertec1.com.

(iv) & (v) The official presentations made to the institutional investors and the analysts are also displayed on the Company's website www.intertec1.com.

B. Management Discussions and Analysis.

The management discussion and analysis report is part of the Annual Report and is captioned "Management Discussion and Analysis" in the Directors Report.

(i) Annual General Meeting	
Date and time	Wednesday, 28th of September 2011 at 10.00 A.M.
Venue	Manandi Samskriti Sadana, #317, 9th Main, Opp 42nd Cross, 5th Block, Jayanagar, Bangalore -41,
ii) Financial Calendar (Tentative): Results Quarter 30 th June 2011 Quarter 30 th September 2011 Quarter 31 st December 2011 Quarter ended 31st March 2012 AGM for approval of Audited accounts for the year ended 31 st March 2012 Financial year	Reporting On or before 15 th August 2011 On or before 15 th November 2011 On or before 15 th February 2012 On or before 15 th May 2012 On or before 30th September 2012 1st April to 31st March
(iii) Details of Book closure	From 22nd September 2011 to 28th September 2011
(iv) Dividend payment (v) Listing of Equity Shares on Stock Exchanges	NA Bangalore Stock Exchange Limited Hyderabad Stock Exchange Limited
(vi) Stock code: a. Trading code/symbol Bangalore Stock Exchange code Hyderabad Stock Exchange code b. Demat ISI N Number in NSDL and CDSL for equity shares	NA NA INE137B01010
Listing fee	PAID

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(vii) Stock Market Data: High and low quotation at Bangalore and Hyderabad Stock Exchanges:

At Bangalore Stock Exchange Rs. 31/- in March 16 2001. The shares are infrequently traded and hence monthly highest and lowest prices at which the shares were traded are not available.

(viii) Registrar & Transfer Agents

(Share transfer and communication regarding share certificate, dividends and change of address)	Karvy Computershare Pvt Ltd "Karvy House" 46, Avenue 4, Street No 1 Bandar Hills Hyderabad - 500034 Andhra Pradesh Ph 040 233122454,23320751/752/251 Fax 040 23311968 / 23323049
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(ix) Share Transfer System

Presently the share transfers which are received in physical form are processed and the share certificates returned within a period of 15 to 16 days from the date of receipt, subject to the documents being valid and complete in all respects. The Share transfers/transmissions are approved by shareholders/Investors Grievance Committee.

(x) Distribution of Shareholding as on 31st March 2011

Sl No	Category		Number of Shareholders	%	Amount Rs.	%
	From	To				
1	1	500	4392	93.69	5185050	6.86
2	501	1000	120	2.56	919490	1.22
3	1001	2000	67	1.43	993010	1.31
4	2001	3000	23	0.49	551800	0.73
5	3001	4000	6	0.13	212900	0.28
6	4001	5000	22	0.47	999000	1.32
7	5001	10000	20	0.43	1683450	2.23
8	10001	above	38	0.81	65069650	86.05
	Total	4688	100	100	75607350	

Categories of Shareholders as on 31st March 2010.

Sl No	Description of Holders	No of Shares	Shares	% of Equity
1	Promoters			
	a) Individuals / HUF	8	2546580	33.68
	b) Bodies Corporate	1	25000	0.33
2	Banks, Financial Institutions, Insurance Companies	0	00.00	
3	Private Corporate Bodies	71	1132859	14.98
4	Indian Public	4603	3772296	49.88
5	Non Resident Indians / Overseas Corporate Bodies	5	78600	1.04
	Total	4688	7560735	100

Intertec Technologies Ltd.

(xi) Dematerialization of shares and Liquidity.

As on 31st March 2011, 97.16% of the Company's total paid up capital representing 7560735 shares was held in dematerialized form and the balance 2.84% representing 214837 shares were held in physical form.

Secretarial Audit: As stipulated by the Securities and Exchange Board of India, a qualified Practicing Company Secretary carries out the Secretarial Audit and provides a report to reconcile the total admitted capital with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the stock exchanges and is also placed before the Board of Directors. The audit, interalia, confirms that the total listed and paid up capital of the company is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

(xii) Company has not made any ADR/GDR issue.

(xiii) The company is located at:

28, Shankar Mutt Road, Bengaluru – 560 004

(xiv) Address for correspondences:

(I) Correspondence for Shares held in Physical Form:

(Share transfer and communication regarding share certificate, dividends and change of address)	Karvy Computershare Pvt Ltd No.17 to 24, Near Image Hospital Vittal Rao Nagar, Madhapur HYDERABAD - 500 081. Ph 040 23420815 to 828 Fax 040 23420814 E mail : mailmanager@karvy.com
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(ii) For Shares held in Demat Form to the Depository participant.

(iii) The Company has designated IR@intertec1.com as the e mail for the purpose of registering complaints by investors.

(xv) Disclosure Regarding Suspense Account Pursuant to SEBI Circular No.SEBI/CFD/DIL/LA1/ 2009/24/04 Dated April 24, 2009.

Since there are no unclaimed shares lying in the escrow account, there is no information to disclose under the above notification.

10. Non-Mandatory requirements.

1. The Company has an Executive Chairman on its Board.
2. The Remuneration Committee is constituted by the Board, the details of which are provided under the heading "Remuneration Committee and Remuneration to Directors".
3. There are no qualifications in the Audit Report for the year 2010-11.
4. The Company has not adopted the other non-mandatory requirements as specified in Annexure 1D of Clause 49 of Listing Agreement.

For and on behalf of the Board

Date: 30-5-2011

Place: BENGALURU

T.S Ravi Chandar

CEO / M.D

B.K Amarnath

Director

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CERTIFICATES UNDER CORPORATE GOVERNANCE REPORT:

Certificate relating to the Code of Conduct for Directors/Senior Management.

This is to certify that as per revised Clause 49 of the Listing Agreement the code of conduct has been laid down for the all the Board Members and Senior Management of the Company. The Board Members and Senior Management have affirmed compliance with Company's code of Conduct for the year 2010-11.

T.S Ravi Chandar
CEO / M.D.

Date:30-5-2011

Place: BENGALURU

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

To the members of Intertec Communications Limited

We have examined the compliance of the conditions of Corporate Governance by Intertec Communications Limited for the year ended 31st March 2010, as stipulated in clause 49 of the listing agreement of the Company with Stock Exchanges in India.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the Compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated under the Clause 49 of the listing agreement.

For H M V Murthy & Co.
Chartered Accountants

H.M Vrushabendra Murthy
Proprietor
M NO.26432

Date: 30-5-2011

Place: Bengaluru.

AUDITOR'S REPORT

To,

The Members of INTERTEC TECHNOLOGIES LIMITED (FORMALLY INTERTEC COMMUNICATIONS LIMITED), BANGALORE.

We have audited the attached Balance Sheet of Intertec Technologies Limited, (Formerly Intertec Communications Limited) as at March 31, 2011 and the annexed Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies' (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and according to the information and explanation given to us during the course of the audit and on the basis of such checks of the books and records of the company as we consider appropriate, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those

books:

- iii) The Balance Sheet, Profit and Loss Account and Cash flow Statement dealt with by this report are in agreement with the books of account.
- iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- v) On the basis of written representation received from the directors, as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- vi) Subject to the foregoing, in our opinion, and to the best of our information and according to the explanations given to us, the said accounts read together with notes and other schedule appearing thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
 - (b) In the case of Profit and Loss Account, of the Profit for the year ended on that date; and
 - (c) In the case of Cash Flow statement, of the cash flows for the year ended on that date.

For H. M. V. Murthy & Co.,

Chartered Accountants

Place :Bangalore

Date : 30.5.2011

(H.M.Vrushabhendra Murthy)

Proprietor

M. No. 26432

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 of the Auditors` Report of even date to the members of **Intertec Technologies Limited., (Formerly Intertec Communications Limited)** on the Financial Statements for the year ended March 31, 2011)

- 1 a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) Physical verification of Fixed Assets is performed by the management in a regular programme for verification once in a year. In our opinion, the frequency of verification is reasonable, having regard to the size and the nature of its business.
 - c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the company during the year and the going concern status of the company is not affected.
- 2 a) According to the information and explanation given to us, the Company procures inventories specifically for the purpose of executing certain contracts and no inventory is held at any point of time during the year. Accordingly clauses (ii)(a) and (ii)(b) of paragraph 4 of the order are not applicable to the company.
 - b) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory.
- 3 a) The company has given an interest free on demand unsecured loans to its wholly owned Subsidiary companies Intertec Forge Pvt.Ltd. (Formally De-Two Forging Pvt. Ltd.), Cimotec Hydro Machines (P)Ltd and Intertec America Inc Rs.325.77 lacs ,Rs.445.53 lacs and Rs. 1.78 lacs respectively. (P.Y. Rs.446.04 lacs)
 - b) The company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, clauses (iii)(b) to (iii)(d) of paragraph 4 of the order are not applicable to the company for the current year.
- 4 In our opinion, and according to the information and explanations given to us, there is adequate internal control procedure commensurate with size of the Company and the nature of its business for the purchase of inventory and assets and for the sale of goods. During the course of our audit we have not observed any continuing failure to correct major weakness in internal control.
- 5 (a) Based on the audit procedures applied and according to the information and explanation given to us, the transactions that need to be entered into the register maintained under section 301 of the companies Act, 1956 have been entered
 - (b) In our opinion and according to the information and explanation given to us, transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the companies act, 1956 and exceeding the value of Rs. Five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time where such market prices are available.
- 6 The Company has not accepted any deposits from the public within the meaning of Section 58A of the companies Act, 1956.
- 7 In our opinion, the internal audit system in the company during the year is adequate and commensurate to the size and the nature of the business of the company.
- 8 To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under section 209 (1) (a) of the Companies Act, 1956 for any product of the company.
- 9 On the basis of records produced before us, the Company is generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Customs Duty and Excise Duty. According to the information and explanations given to us, there are no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Customs Duty which are outstanding as on March 31, 2011, for a period of more than six

Intertec Technologies Ltd.

- months from the date on which they became payable.
- 10 The company does not have accumulated losses and has not incurred cash losses during the current financial year and in the immediately preceding financial year.
- 11 During the year, the company has not defaulted in repayment of its dues to financial institutions and banks.
- 12 In our opinion and according to the information and explanations given to us, and based on the documents and records produced to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13 In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special status applicable to Chit-Fund and Nidhi/ Mutual Benefit Fund/ Societies.
- 14 In our opinion, the Company is not dealing or trading in shares, securities, debentures or other investments and hence, the requirement of Para 4(xiv) are not applicable to the company.
- 15 The terms and conditions at which securities/guarantees have been given by the company for loans taken from banks by its wholly owned subsidiary companies are, in our opinion, not prejudicial to the interest of the company.
- 16 In our opinion, the company has not obtained any term loans that were not applied for the purpose for which these were raised.
- 17 According to the information and explanations given to us and on an overall examination of Balance sheet, we report that the funds raised on short-term basis have not been used for long-term investments, as they have been financed out of internal accruals.
- 18 During the year Company has made preferential allotment of equity shares. The allotment of equity shares to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. According to the information and explanations given to us the price at which shares have been issued are not prejudicial to the interest of the company.
- 19 The company has not issued debentures during the financial year.
- 20 The company has not raised any money through a public issue during the year.
- 21 On the basis of our examination and according to the information and explanation given to us, no fraud, on or by the Company has been noticed or reported during the course of our audit.

For H.M.V.Murthy & Co.,
Chartered Accountants

Place : Bangalore (H.M.Vrushabhendra Murthy)
Date : 30.05.2011 Proprietor
M.No.026432

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INTERTEC TECHNOLOGIES LIMITED (FORMALLY INTERTEC COMMUNICATIONS LTD.) BANGALORE
Balance Sheet as at March 31, 2011 (from 1/4/2010 to 31/03/2011)

Particulars	Schedules	Amount (Rs.) 31-Mar-11	Amount (Rs.) 31-Mar-10
SOURCES OF FUNDS			
Shareholder's Fund :			
Share Capital	A	7,56,07,350	5,28,46,080
Reserves & Surplus	B	16,89,85,816	11,16,80,055
Borrowed Funds :			
Secured Loan	C	-	11,69,662
Unsecured Loans	D	-	-
		<u>24,45,93,166</u>	<u>16,56,95,797</u>
APPLICATIONS OF FUNDS			
Fixed Assets :			
Gross Block	E	4,82,53,809	4,81,94,271
Less : Accumulated Depreciation		3,45,81,919	3,38,74,585
Net Block		<u>1,36,71,890</u>	<u>1,43,19,686</u>
Investments	F	15,16,72,340	4,89,72,340
Current Assets, Loans & Advances :	G	9,21,16,411	10,38,03,032
Less: Current Liabilities & Provisions	H	1,34,60,725	13,99,261
Net Current Assets		<u>7,86,55,686</u>	<u>10,24,03,771</u>
Miscellaneous Expenses (to the extent not written off)		<u>5,93,250</u>	
		<u>24,45,93,166</u>	<u>16,56,95,797</u>
Notes Forming part of Accounts	P		
The schedules referred to above form an integral part of the balance sheet			

As per our report attached

for Intertec Technologies Limited
(formerly Intertec Communications Limited)

For H.M.V.Murthy & Co
Chartered Accountants

T.S. Ravi Chandar
Managing Director

B.K. Amarnath
Director

R. Nagarajan
Company Secretary

H.M.Vrushabhendra Murthy
Proprietor
M.NO. 026432

Place: Bangalore.
Date: 30.5.2011

Intertec Technologies Ltd.

INTERTEC TECHNOLOGIES LIMITED (FORMALLY INTERTEC COMMUNICATIONS LTD.) BANGALORE
PROFIT & LOSS A/C FOR YEAR ENDED 31.3.2011

Particulars	Schedules	Amount (Rs.) 31-Mar-11	Amount (Rs.) 31-Mar-10
INCOME :			
Sales & Services	I	1,50,70,300	1,00,33,362
Other income	J	5,75,869	17,28,292
Increase /(Decrease) in WIP/FG	K	1,62,874	-
		1,58,09,043	1,17,61,654
EXPENDITURE :			
Software Development Expenses	L	1,04,37,341	73,80,036
Manufacturing & other expenses	M	7,09,263	6,46,065
Administrative & Selling expenses	N	12,90,386	8,62,673
Financial Expenses	O	22,057	2,71,709
Depreciation	E	7,07,334	1,67,397
		1,31,66,381	93,27,880
Profit / (Loss) before prior period items & taxation		26,42,662	24,33,774
Provision for Taxation			
Current Tax		9,00,000	2,00,000
Fringe Benefit Tax		-	-
Profit/(Loss) before prior period items		17,42,662	22,33,774
Add/ (Less): Prior period items		(221)	-
Profit / (Loss) for the year		17,42,441	22,33,774
Profit brought forward from previous period		2,08,99,629	1,86,65,855
Profit carried forward to Reserves and Surplus		2,26,42,070	2,08,99,629
Earnings Per Share		0.23	0.42

Notes Forming part of Accounts

O

The schedules referred to above form an integral part of the balance sheet

As per our report attached

for Intertec Technologies Limited
(formerly Intertec Communications Limited)

For H.M.V.Murthy & Co
Chartered Accountants

T.S. Ravi Chandar
Managing Director

B.K. Amarnath
Director

R. Nagarajan
Company Secretary

H.M.Vrushabhendra Murthy
Proprietor
M.NO. 026432

Place: Bangalore.
Date: 30.5.2011

INTERTEC TECHNOLOGIES LIMITED (FORMALLY INTERTEC COMMUNICATIONS LTD.) BANGALORE

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

PARTICULARS	01.04.2010 TO 31.03.2011	01.04.2009 TO 31.03.2010
I. Cash flow from operating activities		
Net profit before tax & extraordinary items	26,42,662	24,33,774
Adjustments for non operating items	-	-
Depreciation	7,07,334	1,67,397
Interest paid on borrowings	22,057	2,71,709
Interest received on Fixed Deposit	(4,45,519)	(16,62,645)
(Profit) / Loss Sale of Fixed Assets	-	-
	29,26,534	12,10,235
Adjustments for working capital		
(Increase)/Decrease in inventories	(1,62,874)	38,71,391
(Increase)/Decrease in loans & advances	(10,66,838)	(76,04,575)
(Increase)/Decrease in sundry debtors	(18,13,037)	-
Increase/(Decrease) in current liabilities	1,20,61,464	(43,59,778)
Cash operating profit/(loss) before income tax	1,19,45,249	(68,82,727)
Income tax	(9,00,000)	
Cash flow from operating activities before extraordinary items	1,10,45,249	(68,82,727)
Extraordinary items Previous year transaction	(221)	-
Net cash flow from operations	1,10,45,028	(68,82,727)
II. Cash flow from investing activities		
Interest received on Fixed Deposit	4,45,519	16,62,645
Proceeds from Sale of Fixed Assets	-	-
Proceeds from sale of investments(net)	-	-
Total inflow of cash from investing activities	4,45,519	16,62,645
Purchase of Fixed Assets	(59,538)	(39,938)
Investment in subsidiaries	(10,27,00,000)	-
Product Development Expenses	(5,93,250)	
Net cash flow from investing activities	(10,29,07,269)	16,22,707

INTERTEC TECHNOLOGIES LIMITED (FORMALLY INTERTEC COMMUNICATIONS LTD.) BANGALORE

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

PARTICULARS	01.04.2010 TO 31.03.2011	01.04.2009 TO 31.03.2010
III. Cash flow from financing activities		
Proceeds from Long term borrowings - Net	(11,69,662)	(21,35,800)
Proceeds from Issue of Share Capital	2,27,61,270	
Proceeds from Issue of Share Premium/Capital Reserve	5,55,63,320	-
(Repayment)/Proceeds from Issue of Share Warrants	-	-
(Repayment)/Proceeds of Secured Loans-Working Capital	-	-
(Repayment)/Proceeds of Unsecured Loans	-	-
Inflow of cash	7,71,54,928	(21,35,800)
Interest paid on borrowings	(22,057)	(2,71,709)
Dividend & Dividend Tax	-	-
Net cash flow from financing activities	7,71,32,871	(24,07,509)
Total increase in cash & cash equivalents during the year	(1,47,29,370)	(76,67,529)
Cash & cash equivalents at the beginning of the year	1,53,87,279	2,30,54,808
Cash & cash equivalents at the end of the year	6,57,909	1,53,87,279

Note: Figures in brackets represent outflows

As per our report attached

for Intertec Technologies Limited
(formerly Intertec Communications Limited)

For H.M.V.Murthy & Co
Chartered Accountants

T.S. Ravi Chandar
Managing Director

B.K. Amarnath
Director

R. Nagarajan
Company Secretary

H.M.Vrushabhendra Murthy
Proprietor
M.NO. 026432

Place: Bangalore.
Date: 30.5.2011

AUDITORS CERTIFICATE

We have examined the above Cash Flow statement of Intertec Technologies Limited(Formerly Intertec Communications limited) for the year ended 31 st March 2011. The statement has been Prepared by the company in accordance with the requirement under clause 32 of Listing Agreement with the Stock Exchange and is based on and is in agreement with the corresponding Profit and Loss account and Balance sheet of the company for the year ended 31st March 2011.

As per our report attached

for Intertec Technologies Limited
(formerly Intertec Communications Limited)

For H.M.V.Murthy & Co
Chartered Accountants

T.S. Ravi Chandar
Managing Director

B.K. Amarnath
Director

R. Nagarajan
Company Secretary

H.M.Vrushabhendra Murthy
Proprietor
M.NO. 026432

Place: Bangalore.
Date: 30.5.2011

INTERTEC TECHNOLOGIES LIMITED (FORMALLY INTERTEC COMMUNICATIONS LTD.) BANGALORE

SCHEDULES FORMING PART OF THE BALANCE SHEET (FROM 1/04/2010 TO 31/03/2011)

PARTICULARS	31.03.2011	31.03.2010
SCHEDULE - A : SHARE CAPITAL		
I) AUTHORISED CAPITAL :		
1,20,00,000 Equity Shares of Rs.10/- each	<u>12,00,00,000</u>	<u>7,00,00,000</u>
II) ISSUED,SUBSCRIBED AND PAID UP CAPITAL		
1)52,84,608 Equity Shares of Rs.10/- each (of the above 20,73,170 Equity Shares of Rs.10/- each are issued as bonus shares of Rs.10/- each are issued as bonus shares and 540,000 Equity shares are issued on preferential basis for consideration other than cash	5,28,46,080	5,28,46,080
2) Equity shares issued during the Year		
17,61,842 Equity Shares of Rs.10/- each allotted for cash	1,76,18,420	
514285 shares allotted towards acquisition of 18000000 equity shares of Cimotec Hydro Machines for consideration other than cash (700 Forfeited shares not yet allotted)	51,42,850	
	<u>7,56,07,350</u>	<u>5,28,46,080</u>
SCHEDULE - B : RESERVES AND SURPLUS		
Profit & Loss Account	22642069	20899628
Share Premium	13,99,15,860	8,40,12,540
capital reserve	39,721	1,62,000
Investment subsidy from Govt of Karnataka	13,66,000	13,66,000
Transaltion Reserve		2,17,721
General Reserve	50,22,165	50,22,165
	<u>16,89,85,816</u>	<u>11,16,80,055</u>
SCHEDULE - C : SECURED LOANS		
State Bank of Mysore- OD A/c		11,69,662
	<u>-</u>	<u>11,69,662</u>

INTERTEC TECHNOLOGIES LIMITED (FORMALLY INTERTEC COMMUNICATIONS LTD.) BANGALORE
SCHEDULE - E :
FIXED ASSETS

Sl. No. Particulars	Gross block						Accumulated depreciation			As at 31/3/2010
	As at 1-4-2010	Additions	Deletions	As at 31/03/ 2011	As at 1/4/2010	Depreciation for the period	Deletions	As at 31/03/2011	As at 31/3/2011	
Plant and Machinery										
(a). Computers	16.21%	2,95,66,012	59,538	2,96,25,550	2,85,62,043	2,68,336		2,88,30,379	7,95,171	10,03,969
(b). Testing Equipments	4.75%	82,980	-	82,980	71,634	1,722		73,356	9,624	11,346
Furniture and Fixtures	6.33%	31,69,401	-	31,69,401	18,12,552	87,669	-	19,00,221	12,69,180	13,56,849
Motor Vehicle	9.50%	7,65,927	-	7,65,927	7,36,582	29,345		7,65,927	-	29,345
Office Equipments	6.33%	87,76,010	-	87,76,010	24,06,754	2,42,754	-	26,49,508	61,26,502	63,69,256
Building -Gem Plaza	1.63%	58,33,941		58,33,941	2,85,020	77,508		3,62,528	54,71,413	55,48,921
Total		4,81,94,271	59,538	4,82,53,809	3,38,74,585	7,07,334	-	3,45,81,919	1,36,71,890	1,43,19,686

INTERTEC TECHNOLOGIES LIMITED (FORMALLY INTERTEC COMMUNICATIONS LTD.) BANGALORE

SCHEDULES FORMING PART OF THE BALANCE SHEET (FROM 1/04/2010 TO 31/03/2011)

PARTICULARS	31.03.2011	31.03.2010
SCHEDULE - F : INVESTMENTS		
Non-Trade Unquoted: At Cost		
Long term Investments:		
In Subsidiary Companies		
a. Intertec America Inc., (Wholly Owned Subsidiary, incorporated in U.S.A, common stock 654000 shares fully paid up, of par value US \$ 1.00 each)	3,02,21,340	3,02,21,340
b. Intertec Forge Pvt. Ltd (Formally De - Two Forging Pvt. Ltd) (Wholly owned Subsidiary)	6,04,51,000	1,87,51,000
(i) shares of Rs. 183 each @ Cost		
(ii) Share Application money pending for allotment		
c. Cimotec Hydro Machines Pvt Ltd. 60,00,000 shares or Rs.10 each @ Cost)	6,00,00,000	
Cimotec Take over charges	10,00,000	
	15,16,72,340	4,89,72,340
SCHEDULE -G : CURRENT ASSETS AND LOANS AND ADVANCES		
Inventories	1,62,874	-
Sundry Debtors		
[Unsecured considered good for which the company holds no security other than debtors personal securities		
a) More than 180 days		
I) Considered good	2,10,05,498	2,63,25,761
II) Considered doubtful	-	-
	2,10,05,498	2,63,25,761
b) Less than 180 days		
I) Considered good	1,00,70,300	29,37,000
II) Considered doubtful		
	1,00,70,300	29,37,000
TOTAL	3,10,75,798	2,92,62,761
Cash & Bank Balances		
Cash on hand	2,23,704	4,06,696
Balance in Scheduled Banks -		
In current accounts	4,34,205	13,80,583
In deposit accounts	-	1,36,00,000
	6,57,909	1,53,87,279

INTERTEC TECHNOLOGIES LIMITED (FORMALLY INTERTEC COMMUNICATIONS LTD.) BANGALORE

SCHEDULES FORMING PART OF THE BALANCE SHEET (FROM 1/04/2010 TO 31/03/2011)

PARTICULARS	31.03.2011	31.03.2010
Loans & Advances (Unsecured)		
A. Considered Good:		
I. Loans & advances to Employees (Staff Advance)	4,015	79,015
II. Loans and Advances to Subsidiary companies	3,76,11,991	4,47,32,545
III. Advances recoverable in cash or kind or value to be received.	1,97,55,194	1,15,45,495
IV. Advance Tax & TDS (including refunds receivables)	26,56,240	26,03,547
B. Deposits:	1,92,390	1,92,390
	6,02,19,830	5,91,52,992
GRAND TOTAL	9,21,16,411	10,38,03,032

SCHEDULE - H : CURRENT LIABILITIES AND PROVISIONS

Current Liabilities

Sundry Creditors	1,08,78,155	-
Sundry Creditors for Expenses	3,81,355	1,22,546
Unpaid dividends -2004-05	1,11,715	1,11,715
Others	24,500	
	1,13,95,725	2,34,261

Provisions

Provision for Income Tax	20,25,000	11,25,000
Provision for FBT	40,000	40,000
	20,65,000	11,65,000
GRAND TOTAL	1,34,60,725	13,99,261

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INTERTEC TECHNOLOGIES LIMITED (FORMALLY INTERTEC COMMUNICATIONS LTD.) BANGALORE

Schedules forming Part of the Profit and Loss Account (From 1/04/2010 to 31/03/2011)

PARTICULARS	31.03.2011	31.03.2010
SCHEDULE - I : SALES		
Export Sales	1,50,70,300	26,85,624
Income from Consultancy services	-	73,47,738
	1,50,70,300	1,00,33,362
SCHEDULE - J : OTHER INCOME		
Miscellaneous Income	1,30,350	65,647
Interest Earned	4,45,519	16,62,645
	5,75,869	17,28,292
SCHEDULE - K : INCREASE /(DECREASE) IN WIP/FG		
Opening stock of WIP	-	-
Add: Closing stock of WIP	1,62,874	-
INCREASE /(DECREASE) IN WIP/FG	1,62,874	-
SCHEDULE - L : SOFTWARE DEVELOPMENT EXPENSES		
Purchases Import	1,01,00,000	22,02,750
Staff Cost	2,25,647	41,63,246
Consultancy Charges	90,200	9,95,661
Foreign Travel Expenditure	-	8,612
Consumables	21,494	9,767
	1,04,37,341	73,80,036

Schedules forming Part of the Profit and Loss Account (From 1/04/2010 to 31/03/2011)

PARTICULARS	31.03.2011	31.03.2010
SCHEDULE - M : MANUFACTURING AND OTHER EXPENSES		
Electricity & Water	65,208	74,829
Repairs & Maintenance:		
1. P &M	13,713	31,543
2. Others	64,731	17,200
Rent	4,80,000	4,80,000
Travailing & Conveyance	85,611	42,493
	7,09,263	6,46,065
SCHEDULE - N : ADMINISTRATIVE & SELLING EXPENSES		
Insurance	4,455	4,919
Printing & Stationery	1,16,290	62,561
postage, telegrams & telephone expenses	99,363	1,43,766
Miscellaneous & Office expenses	11,102	37,734
share transfer fees	1,95,000	1,65,000
Legal and professional charges	30,500	52,825
Rates and taxes	3,67,652	61,815
advertising	66,350	59,213
Staff Welfare	18,891	80,740
Security Services	22,800	6,218
AGM expenses	1,17,628	24,398
MemberShip & Seminar Fees	42,955	43,484
Audit Fees	1,87,500	1,20,000
Commission and Brokerage	4,500	
EGM Expenses	5,400	
	12,90,386	8,62,673
SCHEDULE - O: FINANCIAL EXPENSES		
Bank Charges	9,140	7,746
Interest on SBM FD Loan		2,60,488
Interest on SBM O/D	12,917	3,475
	22,057	2,71,709

SCHEDULE P

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR 31st MARCH 2011

SIGNIFICANT ACCOUNTING POLICIES

1 Basis for preparation of financial statements

- i) The Financial Statements have been prepared under the Historical cost concept on the basis of a going Concern, in accordance with the applicable Accounting Principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956, as adopted consistently by the Company. Revenues are recognized and expenses accounted on their accrual, including provisions / adjustments for committed obligations and amounts determined as payable or receivable during the year.
- ii) The financial statements generally comply with all the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India.

2. Revenue recognition

- i) Revenue for Software Development is recognized on the basis of chargeable time or achievement of prescribed milestones as relevant to each contract. Revenue from sale of Software products is recognized when sale is completed with the passing of title or licenses as the case may be.
- ii) Interest on investment and deposits are booked on a time proportion basis taking into account the amounts invested and the rate of interest.

3. Expenditure

- i) Expenses are accounted on accrual basis and provision is made for all known losses and liabilities.

4. Fixed Assets

Fixed assets are accounted at cost of acquisition. The assets, which are under installation as at the date of Balance Sheet are shown as Capital Work-in-progress.

5. Capital Work-in-Progress

Capital Work-in-Progress comprises of direct cost to the related assets.

6. Depreciation

Depreciation is provided on the Straight Line Method at the rates specified under Schedule XIV of the Companies Act, 1956 and on pro-rata basis on the additions /deletions during the year. Depreciation on assets is charged from the date they are put into use. During the year the Company has charged depreciation only on assets which are in use.

7 Retirement benefits to employees

The Company's liability towards retirement benefits in the form of provident fund is fully funded and charged to expenditure. The Company has a group gratuity scheme with Life Insurance Corporation of India and the payment is made on actuarial valuation. Gratuity paid by the company under group gratuity scheme with Life Insurance Corporation of India during the year is Rs.NIL/- [PY Rs. 4,517/-]

8 Research and Development

Expenses incurred on research and development is charged to revenue in the same year. Fixed Assets, if any, purchased for research and development purposes are capitalized and depreciated as per the Company's policy.

9 Foreign Currency Transactions

- i) Current Assets, other than foreign currency bank account, are accounted at the rate prevailing on the date of transaction. Foreign currency bank account is restated, at prevailing rate on the date of balance sheet.
- ii) Sale proceeds are converted into Indian Rupees at the rates prevailing on the date of receipt.
- iii) Net foreign exchange difference on foreign currency transactions are recognized in the profit & loss account in the respective years of realization.

Intertec Technologies Ltd.

10. Investments

The overseas investments are stated at the foreign exchange rate prevailing on the last date of the financial year.

11. Sundry Debtors and other receivables

All the debtors are generally considered good and realizable in full.

12. Income Tax

- i) The Company has provided for its tax liability after considering the exemptions and deductions, for income from the Software Services and products under the Income Tax Act, 1961.
- ii) As a prudent policy and also as the Company does not envisage any reversal of tax liability or tax asset; no provision is made for deferred tax liability.

13. Contingent Liabilities not provided for

- i) During the year company has given corporate guarantee towards the loan sanctioned by State Bank of Mysore of Rs 1116.80 to M/s. Cimotec Hydro Machines Pvt Ltd.
- ii) During the year company has also given corporate guarantee towards loan sanctioned by State Bank of India of Rs 280 lacs to Intertec Forge Private Ltd(Formerly De Two Forging Pvt Ltd)
- iii) Security by way of mortgage of building as collateral security towards the loan sanctioned by State Bank of India of Rs.280 lacs to M/s.Intertec Forge Private Ltd(Formerly De Two Forging Pvt Ltd) a wholly owned subsidiary company .
- iv) A charge has been created on the property No. S1, Gem Plaza, 66, Infantry Road, Bangalore – 01 to the extent of Rs. 280 lacs in favor of State Bank of India) (Previous year A charge has been created on the property No. S1, Gem Plaza, 66, Infantry Road, Bangalore – 01 to the extent of Rs. 280 lacs in favor of State Bank of India)
- v) There was no Bank guarantees used during the year.

Sl. No.	Particulars	2010-11	2009-10
1	Net Profit after tax as per Profit and Loss Account (Rs. In lacs)	17.42	22.34
2	Excess/ (Short) provision for tax of earlier years (Rs. In lacs)	(0.00221)	0
3	Net Profit attributable to Equity Shareholders (Rs. In Lacs)	17.42	22.34
4	Net Profit before Exceptional Item (Rs. In Lacs)	17.42	22.34
5	Weighted Average Number of equity shares used as denominator for calculating EPS	75,60,735	52,84,608
6	Basic and Diluted Earnings Per Share (Rs.)	0.23	0.42
7	Basic and Diluted Earnings Per Share (before exceptional item) (Rs.)	0.23	0.42
8	Basic and Diluted Earnings Per Share (Considering taxation for previous years) (Rs.)	0.23	0.42
9	Face Value per Equity Share (Rs.)	10.00	10.00

15. Previous Year Figures

The previous year's figures have been regrouped and recast, wherever necessary to conform to current year

16. Quantitative Details
i). Capacity and Production

Particulars	
Licensed Capacity	Not Applicable
Installed Capacity	Not Applicable
Production Capacity	Not Applicable

Particulars	(1st Apr.10 - 31st Mar.11) Amount (Rs.)	(1st Apr.09 - 31st Mar.10) Amount (Rs.)
Consumables	21,494	9,767
Finished Goods	NIL	NIL
TOTAL	21,494	9,767
Of the above:		
Imported (0%)	NIL	NIL
Indigenous (100%)	21,494	9,767
TOTAL	21,494	9,767

iii). Opening stock

Particulars	(1st Apr.10 - 31st Mar.11) Amount (Rs.)	(1st Apr.09 - 31st Mar.10) Amount (Rs.)
Software- Work in Progress	NIL	NIL
TOTAL	NIL	NIL

iv). Turnover

Particulars	(1st Apr.10 - 31st Mar.11) Amount (Rs.)	(1st Apr.09 - 31st Mar.10) Amount (Rs.)
Software products	NIL	NIL
Sales & Services-Exports	1,50,70,300	26,85,624
Sales & Services-Domestic	----	----
Income from Consultancy	----	73,47,738
TOTAL	1,50,70,300	1,00,33,362

v). Closing Stock

Particulars	(1st Apr.10 - 31st Mar.11) Amount (Rs)	(1st Apr.09 - 31st Mar.10) Amount (Rs.)
Software- Work in Progress	1,62,874	NIL
TOTAL	1,62,874	NIL

Intertec Technologies Ltd.

Particulars	(1st Apr.10 - 31st Mar.11) Amount (Rs.)	(1st Apr.09 - 31st Mar.10)
Software - Import	10100000	22,02,750
Finished Goods	NIL	NIL
Capital Assets	NIL	NIL

17. During the year the company has incurred Expenditure in Foreign Currency:Rs.Nil (P.Y. 22,02,750/-)
18. During the year the company has incurred Foreign Exchange earnings during the year Rs.150,70,300 (P.Y. Rs. 26,85,624)
19. Directors' Foreign Travel Rs. NIL (P.Y. Rs. 8612) Directors' Domestic Travel Rs. 22,182 (P.Y. Rs.NIL)
20. Directors' remuneration during the year is Rs. NIL (P.Y. Rs. NIL)
(The directors' remuneration is within the maximum permitted as per the Companies Act, 1956)
21. **Particulars of Employees:**
Employed throughout the year who were in receipt of remuneration of Rs. NIL/-(P.Y.NIL) or more per annum or employed for part of the year who were in receipt of remuneration of Rs. NIL/-(P.Y. NIL) or more per month: is NIL (P.Y. NIL)
22. The balances of debtors, creditors, loans and advances given/taken are subject to confirmation

	(1st Apr.10 -31st Mar.11) Amount (Rs.)	(1st Apr.09 - 31st Mar.10) Amount (Rs.)
a. As Auditors	75,000	75,000
b. In Other Capacity		
For Tax Audit	25,000	25,000
For Other Services	87500	20,000
Total	1,87,500	1,20,000

24. The Company is yet to receive Interest of Rs.52,66,310/- on fixed deposits from Bank of Punjab Limited, Nagindas Master Road, Fort, Mumbai – 400 023 on a sum of Rs.1,37,67,18,000/- collected by Bank of Punjab Limited, on public issue which was deposited by the company on various dates in the above bank. The Company has initiated action for recovery.
25. Figures for the year have been rounded off to the nearest rupee.
26. Previous years figures have been regrouped and reclassified wherever necessary to make them comparable with those of the current year.
27. The name of the company has been changed from Intetec communications limited to Intertec Technologies Limited.
28. During the year Intertec Technologies Limited (Formally Intertec Communications Ltd.) has raised Rs.79, 6, 64,445 through issue of 2276127 equity shares of Rs10 each at a premium of Rs.25 each fully paid up.

Particulars	(1st Apr.10 - 31st Mar.11) Amount (Rs.)	(1st Apr.09 - 31st Mar.10)
Opening Balance	52846080	52846080
Add: Issued during the year	22761270	
Total	75607350	52846080

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28. Related party disclosures:

During the year the following transaction were carried out with the related party in the Ordinary Course of Business

Relationships (during the year):		(Amount Rs lakhs)	
		Nature of Service	
1. Subsidiary company	Intertec Forge Pvt. Ltd. (Formally De -Two Forgings Pvt. Ltd)	325.77(P.Y 445.53)	Loans & Advances
2. Subsidiary company	Cimotec Hydro Machines (P)Ltd	48.55 (P.Y Nil)	Loans & Advances
3. Key Managerial Personal (Mother of Director)	Mrs.M. Muthulakshmi	4.80(P.Y.4.80)	Rent for Registered office
4 Subsidiary Company	Intertec America Inc	101(P.Y Nil)	Software purchase

As per our report attached

for Intertec Technologies Limited
(formerly Intertec Communications Limited)

T.S. Ravi Chandar
Managing Director

B.K. Amarnath
Director

R. Nagarajan
Company Secretary

For H.M.V.Murthy & Co
Chartered Accountants

H.M.Vrushabhendra Murthy
Proprietor
M.NO. 026432

Place: Bangalore.
Date: 30.5.2011

**BALANCE SHEET ABSTRACT
AND COMPANY 'S GENERAL BUSINESS PROFILE.**

1. Registration Details:

Registration No.	L85110KA1989PLC010456		
State Code	08	Balance Sheet Date	31/03/2011

2. Capital Raised during the year (Amounts in Rs.Thousand)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

3. Position of Mobilisation and deployment of funds (Amounts in Rs.Thousand)

Total Liabilities	244593	Total Assets	244593
Sources of Fund		Application of Funds	
Paid up Capital	75,607.35	Net Fixed Assets	13672
Share Deposit	0.00	Net Current Assets	78656
Secured Loans	0	Investments	1,51,672.34
Reserves & Surplus	168986	Misc. Expenditure	593.25
Unsecured Loans	0	Accumulated Losses	0
Deferred Tax Liability	0.00		

4. Performance of the Company (amount in Rs.Thousand)

Turnover	15809	Total Expenditure	13166
Profit before Tax	2643	Profit after tax	1743
Earnings per Share in Rs.	0.23	Dividend Rate %	0

5. Generic Names of Principal products / services of company.

Item Code No. (ITC Code)		Product Description
99999998		Software

As per our report attached

for Intertec Technologies Limited
(formerly Intertec Communications Limited)

For H.M.V.Murthy & Co
Chartered Accountants

T.S. Ravi Chandar
Managing Director

B.K. Amarnath
Director

R. Nagarajan
Company Secretary

H.M.Vrushabhendra Murthy
Proprietor
M.NO. 026432

Place: Bangalore.
Date: 30.5.2011

Statement pursuant to Section 212 of Companies Act 1956 relating to Company's interest in subsidiary companies for the financial year 2010-11.

Sl. No.	Intertec Forge Private Limited(formerly De Two forging Pvt Ltd)	Intertec America Inc.	Cimotec hydro machines pvt ltd
1	The Financial period of the Subsidiary companies ended on	31.03.2011	31.03.2011
2	Date from which they became Subsidiary Company	14.10.2005	31.08.2010
3	a.Number of Shares held by Intrertec Technologies Ltd(formerly Intertec communications limited) with its nominees in the subsidiaries at the end of the financial period of the Subsidiary Company	1,830,000 equity shares of Rs.10 each fully paid up	654,000 equity shares of US \$ 1 each fully paid up
	b.Extent of interest in of holding company at the end of financial period of the subsidiary Companies	100%	100%
4	The net aggregate amount of the subsidiary companies Profit/(Loss) so far as its concerns the memberof the holding company		
	a.Not dealt with in the holding company's accounts		
	i) For the financial period ended 31.03.2011(Rs in lacs)	17.36	-1.01
	ii) For the Financial years of the subsidiary companies since they become the holding Company's subsidiaries (Rs.in lacs)	72.68	-76.97
	b.Dealt within the holding company's account:		
	i) For the financial period ended 31.03.2010(Rs in lacs)	NIL	NIL
	ii) For the previous Financial years of the subsidiary companies since they become the holding Company's subsidiaries (Rs.in lacs)	NIL	NIL

For and on behalf of the Board

Place: Bangalore

Date: 30.5.2011

T.S. RAVI CHANDAR
Managing Director

**REPORT OF THE AUDITORS TO THE BOARD OF DIRECTORS OF INTERTEC TECHNOLOGIES LIMITED
(Formerly Intertec Communications Limited)**

We have audited the attached consolidated Balance Sheet of Intertec Technologies Limited (Formerly Intertec Communications Limited)

and its subsidiaries (the Group) as at March 31, 2011 and also the consolidated Profit and Loss Account for the year ended on that date, annexed thereto. These consolidated financial statements are the responsibility of Intertec Technologies Limited's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements on our audit.

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

We did not audit the financial statement of Intertec America Inc., USA, the subsidiary, whose financial statement reflect the total assets of Rs.218.92 lacs as against the Consolidated total assets of Rs.3652.31 lacs as at 31st March 2011 and the total revenues of Rs.101 lacs as against the Consolidated total revenue of Rs.1163.99 lacs for the year ended on that date, in the consolidated financial statements. We report that the consolidated financial statements have been prepared by Intertec Technologies Limited's (Formerly Intertec Communications Limited)

management in accordance with the requirements of Accounting Standard 21, issued by the Institute of Chartered Accountants of India.

Based on our audit, in our opinion and to the best of our information and according to the explanation given to us the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- a) In the case of the consolidated Balance Sheet, of the state of affairs of Intertec Technologies Limited Group as at March 31, 2011
And
- b) In the case of the consolidated Profit and Loss account, of the profit of the Group for the year ended on that date.

As per our report attached

For H.M.V.Murthy & Co
Chartered Accountants

H.M.Vrushabhendra Murthy
Proprietor
M.NO. 026432

Place: Bangalore.
Date: 30.5.2011

Twenty Second Annual Report 2010-2011

**CONSOLIDATED BALANCE SHEET OF INTERTEC COMMUNICATIONS
LIMITED AND ITS SUBSIDIARIES FOR THE YEAR ENDED 31/3/2011**

PARTICULARS	SCHEDULE	AMOUNT (Rs.) 31/3/2011	AMOUNT (Rs.) 31/3/2010
I SOURCES OF FUNDS			
1) Share Holder's Funds :			
a) Share Capital	A	7,56,07,350	5,28,46,080
b) Reserves & Surplus	B	17,20,85,143	11,12,52,578
2) Secured Loan	C	8,87,22,190	2,26,54,918
3) Un Secured Loan	D	1,73,56,012	1,56,97,396
4) deferred tax liability		1,14,36,000	
		0	
TOTAL		36,52,06,695	20,24,50,972
II APPLICATION OF FUNDS			
1) Fixed Assets			
a) Gross Block	E	30,48,99,831	12,51,49,056
b) Less Depreciation		<u>7,41,20,193</u>	<u>4,65,73,873</u>
c) Net Block		23,07,79,638	7,85,75,183
d) Capital work in progress		0	
		0	0
2) Investments		18,700	0
		0	
3) Current Assets, Loans & Advances			
a) Inventories	F	6,78,23,004	4,83,36,851
b) Sundry Debtors		7,94,06,156	4,94,86,462
c) Cash & Bank balances		42,67,902	1,77,28,699
d) Loans & Advances		<u>5,32,39,880</u>	<u>2,42,93,366</u>
		20,47,36,942	13,98,45,379
Less :			
Current Liabilities & Provisions			
a) Current Liabilities	G	6,83,62,827	1,71,14,619
b) Provisions		<u>44,48,856</u>	<u>19,02,627</u>
		<u>7,28,11,683</u>	<u>1,90,17,246</u>
Net Current Assets (F - G)		13,19,25,259	12,08,28,133
Miscellaneous Expenditure to the extent not written off	H	24,83,098	30,47,657
TOTAL		36,52,06,695	20,24,50,973

As per our report attached

for Intertec Technologies Limited
(formerly Intertec Communications Limited)

For H.M.V.Murthy & Co
Chartered Accountants

T.S. Ravi Chandar
Managing Director

B.K. Amarnath
Director

R. Nagarajan
Company Secretary

H.M.Vrushabhendra Murthy
Proprietor
M.NO. 026432

Place: Bangalore.
Date: 30.5.2011

Intertec Technologies Ltd.

**CONSOLIDATED PROFIT & LOSS ACCOUNT OF INTERTEC TECHNOLOGIES LIMITED
(FORMALLY INTERTEC COMMUNICATIONS LTD.) AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 31/3/2011**

PARTICULARS	SCHEDULE	AMOUNT (Rs.) 31/3/2011	AMOUNT (Rs.) 31/3/2010
INCOME			
1 Sales & services	I	11,97,19,108	6,02,78,439
Less Excise Duty		44,01,000	38,37,299
		<u>11,53,18,108</u>	<u>5,64,41,140</u>
2 Other Income	J	10,81,585	19,37,844
3 Increase /(Decrease) in finished goods, work-in-progress	K	22,09,861	1,32,792
TOTAL		<u>11,86,09,554</u>	<u>5,85,11,776</u>
EXPENDITURE			
1 Software Development expenses	L	3,37,341	73,80,036
2 Manufacturing & other expenses	M	8,54,05,289	3,48,78,280
3 Administration & Selling expenses	N	79,01,232	44,76,363
4 Product Development Expenses Written off			
5 Bad Debts Written off			
4 Financial Charges	O	94,60,879	34,09,509
5 Miscellaneous Expenses Absorbed		11,57,809	12,03,646
6 Depreciation	E	75,22,845	26,31,754
		<u>11,17,85,394</u>	<u>5,39,79,588</u>
NET PROFIT / (LOSS) FOR THE PERIOD		<u>68,24,159</u>	<u>45,32,188</u>
Less: Provision for Taxation		17,50,000	-2,00,000
Less: Provision for FBT		<u>0</u>	<u>0</u>
Add: Prior period adjustments		-24,166	-4,89,001
PROFIT / (LOSS) AFTER TAX		<u>50,49,993</u>	<u>38,43,187</u>
Add:Balance brought forward from previous period		1,60,32,059	1,66,28,966
		<u>2,10,82,052</u>	<u>2,04,72,153</u>

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APPROPRIATIONS :

Proposed dividend on equity shares.

Provision for tax on proposed dividend

Transferred to General Reserve

2,10,82,052

2,04,72,153

Transfer to Capital Reserve on acquisition of
cimotec as on 31-8-2011

13,21,721

BALANCE C/F TO BALANCE SHEET

1,97,60,331

2,04,72,153

Earning per share (in Rs.)

NOTES FORMING PART OF ACCOUNTS

P

As per our report attached

for Intertec Technologies Limited
(formerly Intertec Communications Limited)

For H.M.V.Murthy & Co
Chartered Accountants

T.S. Ravi Chandar
Managing Director

B.K. Amarnath
Director

R. Nagarajan
Company Secretary

H.M.Vrushabhendra Murthy
Proprietor
M.NO. 026432

Place: Bangalore.
Date: 30.5.2011

Intertec Technologies Ltd.

**SCHEDULES TO CONSOLIDATED BALANCE SHEET OF INTERTEC TECHNOLOGIES LIMITED
(FORMALLY INTERTEC COMMUNICATIONS LTD.) AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 31/3/2011**

PARTICULARS	31.03.2011 (Amount in Rs.)	31.03.2010 (Amount in Rs.)
SCHEDULE - A - SHAREHOLDER'S FUNDS		
1. SHARE CAPITAL:		
AUTHORISED CAPITAL :		
12000000 Equity Shares of Rs.100/- each	12,00,00,000	7,20,00,000
ISSUED,SUBSCRIBED AND PAID UP CAPITAL		
a) 5284608 equity shares of Rs 10 each fully paid up (of the above 2073170 equity shares of Rs 10 each are issued as bonus shares and 540000 Equity shares are issued on preferential basis for consideration other than cash	5,28,46,080	5,28,46,080
2) Equity share during year		
1761842 equity shares of Rs.10/- each allotted for cash	1,76,18,420	
Allotted towards acquisition of 180,000,00 equity shares of Cimotec Hydro Machines allotted for consideration other than cash (700 forfeited shares not yet allotted)	51,42,850	2,27,61,270
Share Deposit (Pending for allotment)		
TOTAL	7,56,07,350	5,28,46,080
SCHEDULE - B - RESERVES AND SURPLUS		
1 Profit and Loss Account :	1,97,60,330	1,48,12,807
2 Share premium	13,99,15,860	8,40,12,540
3 Capital Reserve	3,61,443	1,62,000
4 Investment in subsidy from govt of Karnataka	13,66,000	13,66,000
5 Translation reserve	-	
	-	2,17,721
6 General reserve	1,06,81,510	1,06,81,510
TOTAL	17,20,85,143	11,12,52,578

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INTERTEC TECHNOLOGIES LIMITED
(FORMALLY INTERTEC COMMUNICATIONS LTD.) AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 31/3/2011

SCHEDULE - C - SECURED LOANS	-	-
Syndicate Bank Loan A/c TL 11/09(old a/c no.1-06)	-	-
Syndicate bank no.06/09	-	-
Syndicate bank no.08/09	-	-
Cash credit state Bank of Mysore	1,13,81,508	2,14,33,495
(Secured against hypothecation of plant and machinery along with personal guarantee given by 2 directors)	-	
Bills discounting	53,40,113	
Syndicate bank no.09/09	-	
State bank of mysore Term loan (secured by personal guarantee of director)	4,75,00,000	11,69,662
Reliance Capital Limited	31,17,823	
Working capital advances from SBI	2,13,82,746	51,761
(Secured against hypothecation of Stocks & Book Debts and Hypothecation of fixed Assets of the company)		
TOTAL	8,87,22,190	2,26,54,918
SCHEDULE - D - UNSECURED LOANS		
From Directors	1,42,60,755	1,56,97,396
From Others	30,95,257	
TOTAL	1,73,56,012	1,56,97,396
GOODWILL (CAPITAL RESERVE)		
Good Will (De Two Forging Pvt Ltd)	4,51,000	
Good Will (Intertec America)	11,56,340	
Capital Reserve(Cimotec Hydro Machines Pvt Ltd)	-3,21,722	
	12,85,618	

**SCHEDULE E
STATEMENT OF CONSOLIDATED FIXED ASSETS AS AT 31/3/2011**

SL #	PARTICULARS	GROSS BLOCK						DEPRECIATION				
		COST AS ON 01/04/2010	ADDITION DUE TO ACQUISITION OF CHOTEC HYDRO MACHINES DURING THE PERIOD	ADDITIONS DURING THE PERIOD	SALE/ TRANSFER DURING THE PERIOD	TOTAL AS ON 31/3/2011	AS ON 1/04/2010	DEP FOR THE YEAR	AS ON 31/03/2011	AS ON 1/04/2011	AS ON 31/03/2010	
1	Goodwill on Consolidation	16,08,560		0	1240	16,07,340	-		0		16,08,580	
2	Plant and Machinery											
	(a). Computers	3,02,99,877	20,59,645	5,37,244	8,100	3,28,88,666	2,98,91,215	7,31,291	3,06,22,506	22,66,160	13,54,749	
	(b). Testing Equipments	82,980			0	82,980	71,634	1,722	73,356	9,624	11,346	
	(c) Plant & Machinery	4,67,46,303	8,18,33,130	1,73,75,883	11,02,500	14,48,52,816	2,08,42,749	31,39,300	2,39,82,049	12,08,70,767	3,84,35,167	
	(d). Jigs & Tools	1,38,33,589				1,38,33,589	27,20,191	6,57,095	33,77,286	1,04,56,303	1,11,13,398	
	(e). Electrical Installations	14,68,534	23,09,214	42,500		38,20,248	5,30,802	1,80,610	7,11,412	31,08,836	11,96,180	
	(e). Quality Control Equipments	70,000		0		70,000	5,766,000	3,325	9,091	60,909	64,234	
	(e). Dies	36,85,442		18,53,000		55,38,442	-	-	-	55,38,442	36,85,442	
	Mobile phone		89,190			89,190	18,082	5,646	23,728	65,462	22,68,654	
3	Furniture and Fixtures	43,63,398	7,59,201	2,01,756	0	53,24,355	23,28,879	2,13,063	25,41,942	27,82,413	9,51,507	
4	Motor Vehicle	20,34,675	34,62,465	26,29,483	85,500	80,41,123	27,26,928	4,89,704	32,16,632	48,24,491	55,48,921	
5	Office Equipments	87,76,010	6,71,600	5,299	0	94,52,909	26,68,711	2,79,954	29,48,665	65,04,244	59,67,749	
							0				0	
6	Building-Gem Plaza	58,33,941			0	58,33,941	2,85,020	77,508	3,62,528	54,71,413		
7	Building	63,45,727	4,75,88,442	87,79,798	52,16,027	5,74,97,940	45,07,371	16,29,010	61,36,381	5,13,61,559		
8	Digital Camera	0		4,899		4,899	0	598	598	4,301	0	
	EPABX	0		47,560		47,560	0	788	788	46,772	0	
	Plant & Machinery Refurbishing			1,04,60,330		1,04,60,330	0	1,13,230	1,13,230	1,03,47,100	0	
	LAND	0	54,53,503			54,53,503	0		0	54,53,503		
	TOTAL	12,51,49,056	14,42,26,390	4,19,37,752	64,13,367	30,48,99,831	6,65,97,348	75,22,844	7,41,20,192	23,07,79,639	7,85,75,183	
	Previous Year	12,47,70,224		23,03,492	19,24,660	12,51,49,056	4,65,73,873	26,31,754	4,65,73,873	7,85,75,183	8,08,28,105	
	Capital Work in Progress											
	Building -Gem Plaza	0				0				0	0	
	Building			0		0		0	0	0	0	
	Others	76,86,698				76,86,698				76,86,698	76,86,698	
	TOTAL	76,86,698		0	0	76,86,698	0	0	0	76,86,698	76,86,698	
	Previous Year	125006839		7474485	24402	13,24,56,922	39134138	4826015	4,39,42,119	8,85,14,805	8,58,72,701	

SCHEDULE TO CONSOLIDATED BALANCE SHEET AS AT 31.03.2011

PARTICULARS	AMOUNT (Rs.) 31/3/2011	AMOUNT (Rs.) 31/3/2010
SCHEDULE - F - CURRENT ASSETS LOANS AND ADVANCES		
A. CURRENT ASSETS		
1. Inventories : Valued at lower of cost or market value as certified by the management		
(a) Raw materials	2,28,93,556	1,29,95,103
(b) Work-in-progress	1,70,93,873	47,67,637
(c) Finished goods	2,78,35,575	3,05,74,111
SUB TOTAL	<u>6,78,23,004</u>	<u>4,83,36,851</u>
2. Sundry Debtors : unsecured considered good for which the company holds no security other than the debtors' personal security		
(a) outstanding for a period over 6 months	2,63,76,773	3,38,10,211
(b) other debts	5,30,29,383	1,56,76,250
(c) Provision for doubtful debts	-	
SUB TOTAL	<u>7,94,06,156</u>	<u>4,94,86,462</u>
3. Cash on hand	2,66,095	4,17,999
4. Cash at Banks with Nationalised & Scheduled Banks		
a) In Current Accounts	30,04,909	14,64,507
Petty cash	9,96,898	1,58,46,193
SUB TOTAL	<u>42,67,902</u>	<u>1,77,28,699</u>
B. LOANS AND ADVANCES		
Recoverable in cash or in kind or for value to be received, unsecured, considered good	1,55,000	
Advance tax & TDS	26,56,240	
Advances	4,08,67,356	1,69,38,768
Land advance	31,19,000	
Loans & Advances to Subsidiary companies	0	
advance -staff	7,77,811	16,08,856
advance for capital goods	2,55,154	
Deposits-	8,18,742	42,500
Deposits-KPTCL	14,74,966	20,01,498
Provident fund payable	0	3,93,684
Duties & taxes	0	33,03,977
Prepaid Expenses	1,403	4,083
Advannce for suppliers	31,14,208	-
advance for purchase of land	0	
SUB TOTAL	<u>5,32,39,880</u>	<u>2,42,93,366</u>
TOTAL	<u>20,47,36,942</u>	<u>13,98,45,378</u>

SCHEDULE TO CONSOLIDATED BALANCE SHEET AS AT 31.03.2011

PARTICULARS	AMOUNT (Rs.) 31/3/2011	AMOUNT (Rs.) 31/3/2010
SCHEDULE - G - CURRENT LIABILITIES AND PROVISIONS		
SCHEDULE - G - CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES		
Sundry creditors	4,95,17,651	1,01,76,231
Sundry creditors for expenses	1,32,80,413	63,59,750
Sundry creditors for CAPITAL GOODS	35,11,591	2,23,300
unpaid dividend 2004-2005	1,11,715	1,11,715
Advance from customer	9,87,265	
Employees recoveries	2,30,002	2,30,002
Statutory dues	6,99,690	13,621
others		
TOTAL	<u>6,83,38,327</u>	<u>1,71,14,619</u>
B. PROVISIONS		
FBT payable	4,57,960	2,55,200
Taxation	39,90,896	16,47,427
TOTAL	<u>44,48,856</u>	<u>19,02,627</u>
TOTAL	<u>7,27,87,183</u>	<u>1,90,17,246</u>
SCHEDULE H		
Miscellaneous Expenses to the Extent Not Written off		
Deferred Revenue Expenditure - Workers Settlement	-	5,27,859
New product development	24,83,098	25,19,798
	<u>24,83,098</u>	<u>30,47,657</u>

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SCHEDULE TO CONSOLIDATED PROFIT & LOSS ACCOUNT AS AT 31.03.2011

PARTICULARS	AMOUNT (Rs.) 31/3/2011	AMOUNT (Rs.) 31/3/2010
SCHEDULES TO CONSOLIDATED PROFIT & LOSS ACCOUNT.		
SCHEDULE - I - SALES AND SERVICES		
Services		73,47,738
SALES	5,94,21,516	4,58,23,108
SALES - LABOUR CHARGES	87,11,232	9,54,660
SALES - EXPORT	5,68,38,407	26,85,624
SALES -SCRAP	5,00,000	0
	<u>12,54,71,155</u>	<u>5,68,11,130</u>
Add: Excise duty	50,83,692	38,37,299
	<u>13,05,54,847</u>	<u>6,06,48,429</u>
Less: Sales Returns/Rejections	7,35,739	3,69,990
	<u>12,98,19,108</u>	<u>6,02,78,439</u>
TOTAL	<u>11,97,19,108</u>	<u>6,02,78,439</u>
 SCHEDULE - J - OTHER INCOME		
Interest received	5,62,525	16,62,645
Miscellaneous income/rounding off	3,26,964	1,09,981
Gain on Exchange Fluctuation	0	
Interest on Fixed Deposit-LC Margin	1,34,063	1,65,218
Interest on Security Deposit Bescom	58,000	0
TOTAL	<u>10,81,552</u>	<u>19,37,844</u>
 SCHEDULE - K - INCREASE / DECREASE IN FINISHED GOODS & WORK-IN-PROGRESS		
OPENING STOCK		
a) Work in progress	2,83,95,484	48,81,887
b) Finished goods	1,21,77,231	42,43,189
	<u>4,05,72,715</u>	<u>91,25,076</u>
LESS : CLOSING STOCK		
a) Work in progress	1,70,93,873	47,67,637
b) Finished goods	2,56,88,703	44,90,231
TOTAL	<u>4,27,82,576</u>	<u>92,57,868</u>
INCREASE / (DECREASE)	<u>22,09,861</u>	<u>1,32,792</u>

SCHEDULE TO CONSOLIDATED PROFIT & LOSS ACCOUNT AS AT 31.03.2011

PARTICULARS	AMOUNT (Rs.) 31/3/2011	AMOUNT (Rs.) 31/3/2010
SCHEDULE - L - SOFTWARE DEVELOPMENT EXPENSES		
Consumables	21,494	9,767
Technical / Professional & Consultancy fees	90,200	9,95,661
Staff Cost	2,25,647	41,63,246
Foreign travel expenditure		8,612
Purchase	0	22,02,750
TOTAL	3,37,341	73,80,036
SCHEDULE - M - MANUFACTURING AND OTHER EXPENSES		
CONSUMPTION OF RAW MATERIALS & CONSUMABLES		
Opening Stock		
Rawmaterials	1,53,92,408	43,74,845
Consumable Stores	34,08,438	4,86,550
Consumable Tools	33,51,770	32,43,734
Scrap stock	5,98,319	0
ADD:	0	0
Purchase of Raw Materials	4,11,73,764	2,26,64,055
Purchase of Tools	16,41,741	18,30,382
Consumable Stores	60,41,187	10,60,234
TOTAL (A)	7,16,07,627	3,36,59,800
LESS: Closing Stock		
Raw Materials	2,00,87,588	83,22,337
Consumable Tools	4,65,284	33,51,770
Scrap stock	27,75,091	5,98,319
Consumable Stores	17,12,465	7,22,677
Capitalisation of Dies	18,53,000	20,03,922
TOTAL (B)	2,68,93,428	1,49,99,025
Raw materials & Consumables Consumed(A-B)	4,47,14,199	1,86,60,775
FACTORY EXPENSES :		
Carriage Inwards	6,75,473	1,83,581
Power & Fuel	52,80,590	38,34,949
Labour Charges	1,20,14,009	41,85,286
Salaries - Production	53,99,211	18,57,402
Technical Consultancy	1,06,529	1,19,450
Rent	33,37,000	26,97,856
Factory Wages	17,37,370	24,79,243
Staff Welfare	3,57,568	1,64,580
Repairs & maintenance :	0	0
a) Plant & Machinery	4,04,383	2,77,929
b) Building	36,390	0
c) Others	5,97,963	17,200
d) Repairs & Maintenance - Tools	1,220	3,57,537
Electricity and water	0	0
Travelling and Conveyance	85,611	42,493
Insurance on health	56,770	0
Insurance	5,92,488	
Generator mantainance	71,966	
other manufacturing expenses	86,96,245	
Security charhes	11,24,140	
water charges	1,16,164	
TOTAL	8,54,05,289	3,48,78,281

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SCHEDULE TO CONSOLIDATED PROFIT & LOSS ACCOUNT AS AT 31.03.2011

PARTICULARS	AMOUNT (Rs.) 31/3/2011	AMOUNT (Rs.) 31/3/2010
SCHEDULE - N - ADMINISTRATION AND SELLING EXPENDITURE		
Books & Periodicals	14,625	
Printing and stationery	3,20,769	1,08,262
Postage and telegrams	1,39,755	1,43,766
Professional & Retainer fee	1,20,267	
Other Miscellaneous expenses	300	0
Share Transfer & Miscellaneous fees	0	1,65,000
Insurance - office	0	7,213
Insurance Stocks	64,725	70,887
Insurance Vehicles	20,130	21,050
Legal / Professional / Consulatncy & Fees	50,500	72,825
Rates and taxes	11,16,262	1,51,006
Audit fees	4,33,800	2,33,610
Membership & Seminar fees	42,955	43,484
broad band charges	10,950	0
AGM Expenses	1,23,028	24,398
Loss on Exchange Fluctuation	0	0
Staff welfare	18,891	0
Survelliance Audit	55,567	
Bank Charges	0	0
Donation & Charity	72,100	23,550
Pooja Expenses	1,55,282	2,720
Conveyance Expenditure	0	3,16,674
garden mantainance	1,525	
Lab & Testing Charges	894	0
Miscellaneous Exp	63,762	1,08,974
Repairs and Maintenance-Vehicle	2,07,357	1,47,537
Entertainment exp	12,540	
Repairs & Maintenance-Others	43,211	1,38,980
Security Charges A/c	2,10,835	2,21,880
Telephone Charges	5,00,826	1,17,766
Testing charges	38,739	
Vehicle mantainance	98,821	
Salaries & Wages.Staff Welfare & Aminities	20,51,672	8,42,946
Office Maintenance	58,999	49,834
General expenses	15,530	
Inspection charges	8,500	
Share Transfer & Miscellaneous fees	1,95,000	
ISO Certificate	14,926	85,500

SCHEDULE TO CONSOLIDATED PROFIT & LOSS ACCOUNT AS AT 31.03.2011

PARTICULARS	AMOUNT (Rs.) 31/3/2011	AMOUNT (Rs.) 31/3/2010
SELLING EXPENSES:	0	0
Web Hosting charges	11,400	
Advertisement	71,131	59,213
Annual maintainance	18,000	
Business Promotion Expenses	13,614	21,008
Carriage Outwards	8,99,768	10,83,156
Commission charges	8,500	
Packing & Forwarding charges	37,657	0
Boarding and lodging	58,612	
Freight, Coolie & Cartage	12,615	0
Discount Allowed	36,891	15,462
Travelling Expneses - Directors	98,558	37,560
Travelling Expneses - Others	62,305	1,62,102
Conveyance Expenditure	2,89,138	0
TOTAL	<u>79,01,232</u>	<u>44,76,363</u>
 MISCELLANEOUS EXPENSES ABSORBED		
Preliminary Expenses	5,27,860	45,837
Deffered Revenue Expenditure - Worker Settlement	0	5,27,860
New Product development	6,29,949	
TOTAL	<u>11,57,809</u>	<u>5,73,697</u>
 SCHEDULE - O - FINANCIAL CHARGES		
Bank charges	4,98,580	2,16,381
Interest	34,636	0
Interest on FD Loan	0	2,60,488
Interest on ICCI Home Loan	0	0
Interest - Working Capital	64,77,401	27,77,370
Interest on Term Loan	24,03,980	1,48,969
LC Charges	0	0
Interest on Vehicle Loans	46,282	6,301
	0	0
TOTAL	<u>94,60,879</u>	<u>34,09,509</u>

**INTERTEC TECHNOLOGIES LIMITED (FORMALLY INTERTEC COMMUNICATIONS LTD.) BANGALORE
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011**

PARTICULARS	01.04.2010 TO 31.03.2011	01.04.2009 TO 31.03.2010
I. Cash flow from operating activities		
Net profit before tax & extraordinary items	67,22,456	27,53,364
Adjustments for non operating items	-	-
Depreciation	55,94,147	26,31,754
Miscellaneous expenses absorbed	11,57,809	12,03,646
Interest paid on borrowings	94,60,879	34,09,509
Interest received on Fixed Deposit	(7,54,588)	(14,97,427)
	2,21,80,703	85,00,846
Adjustments for working capital		
(Increase)/Decrease in inventories	(1,94,86,153)	(50,22,766)
(Increase)/Decrease in loans & advances	(2,89,46,514)	-4351398
(Increase)/Decrease in sundry debtors	(2,99,19,694)	(2,31,033)
Increase/(Decrease) in current liabilities	5,37,94,437	2,68,802
(Increase)/Decrease in miscellaneous expenditure	(5,93,250)	(45,837)
Cash operating profit/(loss) before income tax	(29,70,471)	(8,81,386)
Income tax	(17,50,000)	(2,00,000)
Cash flow from operating activities before extraordinary items	(47,20,471)	(10,81,386)
Extraordinary items Previous year transaction	(24,166)	(4,89,001)
Net cash flow from operations	(47,44,637)	(15,70,387)
II. Cash flow from investing activities		
Interest received on Fixed Deposit	7,54,588	14,97,427
Proceeds from Sale of Fixed Assets	-	-
Proceeds from sale of investments(net)	(18,700)	-
Total inflow of cash from investing activities	7,35,888	14,97,427
Purchase of Fixed Assets	(15,77,98,602)	(3,78,832)
	-	-
Net cash flow from investing activities	(15,70,62,714)	11,18,595

Intertec Technologies Ltd.

**INTERTEC TECHNOLOGIES LIMITED (FORMALLY INTERTEC COMMUNICATIONS LTD.) BANGALORE
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011**

PARTICULARS	01.04.2010 TO 31.03.2011	01.04.2009 TO 31.03.2010
III. Cash flow from financing activities		
Proceeds from Long term borrowings - Net	6,60,67,272	
Proceeds from Issue of Share Capital	2,27,61,270	
Proceeds from Issue of Share Premium/Capital Reserve	6,73,20,275	-
(Repayment)/Proceeds from Issue of Share Warrants		-
(Repayment)/Proceeds of Secured Loans-Working Capital		(68,39,970)
(Repayment)/Proceeds of Unsecured Loans	16,58,616	28,17,198
Inflow of cash	15,78,07,433	(40,22,772)
Interest paid on borrowings	(94,60,879)	(34,09,509)
Dividend & Dividend Tax	-	-
Net cash flow from financing activities	14,83,46,554	(74,32,281)
Total increase in cash & cash equivalents during the year	(1,34,60,797)	(78,84,073)
Cash & cash equivalents at the beginning of the year	1,77,28,699	2,56,12,772
Cash & cash equivalents at the end of the year	42,67,902	1,77,28,699

Note: Figures in brackets represent outflows

As per our report attached

for Intertec Technologies Limited
(formerly Intertec Communications Limited)

For H.M.V.Murthy & Co
Chartered Accountants

T.S. Ravi Chandar
Managing Director

B.K. Amarnath
Director

R. Nagarajan
Company Secretary

H.M.Vrushabhendra Murthy
Proprietor
M.NO. 026432

Place: Bangalore.
Date: 30.5.2011

AUDITORS CERTIFICATE

We have examined the above Cash Flow statement of Intertec Technologies Limited(Formerly Intertec Communications limited) for the year ended 31 st March 2011. The statement has been Prepared by the company in accordance with the requirement under clause 32 of Listing Agreement with the Stock Exchange and is based on and is in agreement with the corresponding Profit and Loss account and Balance sheet of the

As per our report attached

for Intertec Technologies Limited
(formerly Intertec Communications Limited)

For H.M.V.Murthy & Co
Chartered Accountants

T.S. Ravi Chandar
Managing Director

B.K. Amarnath
Director

R. Nagarajan
Company Secretary

H.M.Vrushabhendra Murthy
Proprietor
M.NO. 026432

Place: Bangalore.
Date: 30.5.2011

NOTES TO THE CONSOLIDATED ACCOUNTS
SCHEDULE - P

1 The consolidated financial statements have been prepared in accordance with the general principals of account standards 21 "Consolidated Financial Statements" issued by the ICAI.

2 INVESTMENT IN CIMOTEC HYDRO MACHINES PRIVATE LIMITED

During the year ended March 31, 2011 Company has aquired Cimoted Hydro Machines Pvt Ltd as a wholly owned subsidiary with an investment of Rs .6,10,00000

2 The Subsidiaries (which along with Intertec Technologies Limited. The Holding Company) considered in the preparation of these consolidated financial statements are:

	Name of the company	Country of Incorporation	Percentage of ownership interest as at 31.03.2010	Percentage of ownership 31.03.2009
1	Intertec Forge Private Limited.(formerly De Two Forging Pvt Ltd)	India	100%	100%
2	Cimotec Hydro Machines Pvt Ltd	India	100%	-
2	Intertec Inc, America.	USA	100%	100%

3 The Financial statements of all subsidiaries, considered in the consolidated accounts, are drawn up to 31 March 2011.

4 During August 2010 company aquired Cimotec Hydro Machines Pvt Ltd. In consolidated A/c Revenue and Expenses are consolidated for the period from 1-9-2010 to 31-3-2011. Hence in consolidated Account previous year figure of Cimotec Hydro Machines Pvt Ltd are not exhibited.

5 Segment wise revenue reporting:

The group has only three business consisting of information technology and Cold Forging and Engineering Products :

Intertec Technologies Ltd.

PARTICULARS	INTERNATIONAL 31.03.2011	DOMESTIC 31.03.2011	TOTAL 31.03.2011
SEGMENT REVENUE (Net Sales Incl. Excise duty and other income)			
1. Information Technology	150.70	6	156.46
2 Heavy Fabrication products	417.68	141	558.29
3. Cold Forging and Engineering Products	0	493.26	493.26
Total Segments Revenue	568.38	639.62	1208.01
Segment Revenue (Profit Before Prior Period Adjustments, Interest & Tax)			
1. Information Technology	26.65	0.00	26.65
2 Heavy Machining products	6.20	73.62	79.82
3. Cold Forged Engineering Products	0	57.39	57.39
Total Segments Profit	32.85	131.01	163.86
Less: Interest	0.22	94.39	94.61
Profit Before Prior Period Adjustment & Tax	32.63	36.63	69.25

During the year Intertec Technologies Limited has raised Rs. 796,64,445 through issue of 22,76,127 equity shares of Rs. 10 each at a premium of Rs.25 each fully paid up.

Details of Increase of share Capital

Particulars	31-3-2011	31-3-2010
Opening Balance	52846080	52846080
Add: Equity shares Issued during the year		
(i) For Cash	17618420	
(ii) For other than cash	5142850	
Total	75607350	52846080

- 6** The name of the Company has been changed from Intertec Communications Limited to Intertec Technologies Limited.
- 7** The name of the wholly owned subsidiary De Two forging Private Limited has been changed to Intertec Forge Private Limited.

8 Fixed Assets

Fixed assets are accounted at cost of acquisition. The assets, which are under installation as at the date of Balance Sheet are shown as Capital Work-in-progress.

9 Depreciation

Depreciation is provided on the Straight Line Method at the rates specified under Schedule XIV of the Companies Act, 1956 and on pro-rata basis on the Additions / deletions during the year. Depreciation on assets is charged from the date they are into use.

10 The information regarding SSI Units under completion and hence dues to such units cannot be readily determined

11 Inventories

Valuation of Work-in-Progress, and all other inventories are valued at the lower of cost or market value as certified by the management.

12 Retirement benefits to employees

The Holding Company's liability towards retirement benefits in the form of provident fund is fully funded and charges to expenditure. The Company has a group gratuity scheme with Life Insurance Corporation of India and the payment is made on actuarial valuation. Gratuity paid by the company under group gratuity scheme with Life Insurance Corporation of India during the year is Rs.NIL (PY Rs.4,517/-)

13

a) The subsidiary company De Two Forging Private Limited's liability towards retirement benefits in the form of Provident Fund is fully funded and charges revenue expenditure. The company contributes to the employee's provident fund maintained under the employee's provident fund scheme run by the Central Government, and the payments are not regular.

Gratuity Liability for subsidiary company De Two Forging Private Limited is paid and accounted on cash basis. Gratuity paid during the year Rs.83,320/- (P.Y. 1,19,309/-).

b) Deferred Tax Liability/Asset:

Deferred tax liability/Asset has not been recognized as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such Deferred tax Assets can be realized/Tax liability will arise due to reversal of Depreciation allowances.

14 Provisions:

a) Provision for income tax is provided by the company, as per the Income Tax Act, 1961, available to the holding company.

As per our report attached

for Intertec Technologies Limited
(formerly Intertec Communications Limited)

For H.M.V.Murthy & Co
Chartered Accountants

T.S. Ravi Chandar
Managing Director

B.K. Amarnath
Director

R. Nagarajan
Company Secretary

H.M.Vrushabhendra Murthy
Proprietor
M.NO. 026432

Place: Bangalore.
Date: 30.5.2011



Registered Office : # 28, Shankar Mutt Road, Bangalore - 560 004. India

ATTENDANCE SLIP

Twenty second Annual General Meeting - September 28, 2011

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint shareholders may obtain additional slip at the venue of meeting.

No. of Shares

NAME AND ADDRESS OF THE SHAREHOLDER :

I hereby record my presence at the TWENTY SECOND ANNUAL GENERAL MEETING of the Company at Manandi Samskriti Sadana, #317, 9th Main, Opp 42nd Cross, 5th Block, Jayanagar, Bangalore - 560 041, at 10.00 AM on Wednesday, September 28, 2011

Member's/ Proxy's name in BLOCK Letters

Signature of Member / Proxy

Note : Members are requested to bring their copies of the Annual Report to the meeting.

@ : Applicable for investors holding shares in electronic form



Registered Office : # 28, Shankar Mutt Road, Bangalore - 560 004. India

PROXY FORM

I/We _____

Of _____ being Member's of Intertec Communications

Limited hereby appoint _____ or failing him _____

of _____ as my/our proxy to vote for me / us on my /

our behalf at the TWENTY SECOND ANNUAL GENERAL MEETING of the Company at

Manandi Samskriti Sadana, #317, 9th Main, Opp 42nd Cross, 5th Block, Jayanagar,

Bangalore - 560 041, at 10.00 AM on Wednesday, September 28, 2011

Signed this _____ day of _____ 2011

Note: This form duly completed and signed must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.

@ : Applicable for investors holding shares in electronic form

BOOK - POST

If undelivered please return to :



28, Shankar Mutt Road, Bangalore - 560 004. India