



TWENTY THIRD ANNUAL REPORT

2011 - 2012

Intertec Technologies Ltd.

BOARD OF DIRECTORS

K.Vijaya Raghavan

T.S.Ravi Chandar

B.K.Amarnath

M.V.Santhanam

P.Srinivas

R.Prithvi Raj [From 29/09/2011 to 28/05/2012]

G.K.Subramanian [From 29/09/2011 to 28/05/2012]

COMPANY SECRETARY

R.Nagarajan

REGISTERED OFFICE

No. 28, Shankar Mutt Road

Bangalore-560 004

BANKERS

Axis Bank Ltd.

State Bank of Mysore, Shankarapuram Branch

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 23rd Annual General Meeting of the Members of Intertec Technologies Limited, will be held at 10:00 AM on Friday, 28th September 2012, 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, 2012 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. T.S.Ravi Chandar who retires by rotation and being eligible for re-appointment, offers himself for reappointment.
3. 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.
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.

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 24, 2012 to September 28, 2012 (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.
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

Date: 6th September 2012

T.S. RAVICHANDAR

Managing Director

DIRECTORS REPORT

Your Directors have pleasure in presenting the 23rd Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2012.

Financial Results:

The Financial position of the Company for the financial year ended 31-3-2012 is summarized below:

Particulars	Year ended 31/03/2012 (Rs.in lacs)	Year ended 31/03/2011 (Rs.in lacs)
Profit before depreciation, Interest, & Tax	14.37	33.72
Less: Depreciation	2.01	7.07
Less: Financial Charges	0.009	0.22
Profit before tax	12.34	26.42
Less: Provision for current Taxation	3.05	9.00
Profit after tax	9.29	17.42
Add/(Less): Excess provision for tax for earlier period	0.00	0.00221
Add: b/f from previous year	226.42	208.99
Amount available for appropriation	235.71	226.42
APPROPRIATIONS :		
Carried to Balance Sheet	235.71	226.42

Results of Operations:

Your Company has had a reasonable year. The total revenue has reduced from Rs. 150.70 lacs in the previous year to Rs.115.21 lacs, registering an decrease of 23.55%. The operating profits have come down from profit of Rs.26.42 lacs in the previous year to profit of Rs.12.34 lacs registering a decrease of 53.29%. The net result after tax & Fringe Benefit Tax has decreased from net profit of Rs. 17.42 lacs in the previous year to net profit of Rs.9.29 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 is as follows: at Rs. 756.07 lacs (PY: 756.07 lacs) and

Rs. 1399.15 lacs (PY: Rs. 1399.15 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 Known as Detwo Forging Pvt Limited), 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.

Mr. R.Prithvi Raj and Mr. G.K.Subramanian were appointed as Directors on 29th September 2011; they resigned with effect from 28th May 2012 due to personal commitments.

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, 2012, 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. 115.21 lacs (Previous Year Rs. 150.70 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: 06-08-2012

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, 2012 is Rs. 245,522,263/- of which equity capital is Rs. 75607350/- comprising of 75,607,35 equity shares of Rs. 10/- each.

2. Reserves and Surplus

2.1 As at March 31, 2012 the reserves and surplus of the Company aggregated to Rs. 1699.14 lacs as against Rs. 1689.85 lacs in the previous year an increase of Rs. 9.29 lacs i.e. 0.54%.

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 (Formerly known as 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.. Also included is share premium of Rs. 55903320/- collected on preferential allotment of 17,57,142 Equity Shares during the previous year.

3. Debt

3.1 The total secured debt as at March 31, 2012 is Rs. NIL. (PY: Rs. NIL).

4. Unsecured loans

4.1 The total unsecured debt as at March 31, 2012 is Rs.357.07 lacs (PY: Rs. NIL).

5. Fixed Assets

5.1 During the year, the Company has invested additional amount of Rs 49,274/- 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 did not make any new or additional capital investment.

6.2 As stipulated in the Listing Agreement with Stock Exchanges, the consolidated financial statements have been prepared by the company in accordance with the relevant accounting standards

issued by the Institute of Chartered Accountants of India. The audited consolidated financial statements together with Auditors Report thereon form the part of Annual Report.

7. Inventories

7.1 During the year closing stock of inventory is Rs 2250/-.

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 31/3/2012		Year ended 31/3/2011	
	Value in (Rs. Lacs)	%	Value in (Rs. Lacs)	%
Less than 180 days	25.51	9.11	0.68	0.22
More than 180 days	254.51	90.89	310.07	99.78
TOTAL :	280.02	100.00	310.75	100.00

Note : Rs.223.17 lacs which is Long Term Trade receivables included in the debtors more than 180days to be recovered within 18 months

8.4 Dues from Companies under the same management is Rs. 725.98 lacs (PY: Rs. 376.12 lacs).

9. Cash and Bank balances

9.1 The bank balances includes Rs. Nil (PY Rs. Nil) in fixed deposit accounts and Rs. 3.42 lacs (PY Rs. 6.58 lacs) in various current accounts. Which includes Cash in Hand of Rupees 1.63 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. Rs. Nil lacs advance income tax is paid during the financial year (PY: Nil lacs). Tax deducted at source is Rs. Nil (PY Rs. 0.53 lacs).

10.2 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 Rs. NIL (PY: Rs. NIL).

12. Provisions

12.1 Provision for taxation denotes estimated income tax liabilities, which is Rs 3.05 lacs (PY Rs. 9.0 lacs).

13. Preliminary Expenses

13.1 Preliminary expenses during the year is Rs. NIL (PY: Rs. 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.

Particulars	Year ended 31/3/2012		Year ended 31/3/2011	
	Value	%	Value	%
Software development & software service	115.20	79.68	150.70	96.32
Interest & Other Income	29.38	20.32	5.75	3.68
TOTAL	144.58	100.00	156.45	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. 130.03 lacs to Rs. 132.24 lacs which is a increase of 1.7 %.

15.3.2 The software development and manufacturing expenses decreased from 104.37 lacs to Rs 100.33 lacs

15.3.3 The Company incurred marketing, administration, provision for doubtful debts, bad debts written off and other expenses have increased to Rs.27.29 lacs(PY: Rs. 19.48 lacs).

15.4 Operating profits / loss

15.4.1 During the year, the Company made an operating profit (Profit before depreciation and tax) of Rs. 14.36 lacs (PY: Rs. 33.50 lacs).

15.5 Interest and bank charges

15.5.1 The Company incurred an expenditure of Rs.0.01 lacs as against Rs 0.22 lacs during the previous year.

15.6 Depreciation

15.6.1 The Company provided a sum of Rs. 2.01 lacs (PY: Rs. 7.07 lacs) towards depreciation on its assets.

15.7 Provision for tax

15.7.1 The Company has arrived at the tax liability of Rs. 3.05 lacs(PY Rs. 9.0 lacs) 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. 9.29 lacs (PY Rs. 17.42 lacs).

15.9 Earnings per share

15.9.1 Earnings per share as on the Balance Sheet date was Rs. 0.12 as against Rs. 0.23 (annualized) per share for the previous year.

15.10 Subsidiary Companies :

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

- a) Intertec Forge Private Limited (Formerly know as 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, 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 a Whole-time or an Executive Director, The remaining 3 (Three) Directors are Independent Non – Executive Directors.,

Meeting of the Board of Directors held during the year 2011-12 are detailed hereunder:

SL NO	DATE OF MEETING
1	30.05.2011
2	02.08.2011
3	14.11.2011
4	14.02.2012

(ii) (iii) (iv) The details of the Directors as on 31st March 2012 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	3	3	2	1	Yes
Mr B.K Amarnath	29.09.2006	4	9	2	0	Yes
Mr M.V Santhanam / Independent	29.09.2006	3	2	1	1	Yes
Mr P.Srinivas / Independent	29.09.2006	2	2	1	1	Yes
Mr.R.Prithvi Raj	29.09.2011	0	3	3	1	No
Mr. G.K.Subramanian	29.09.2011	0	3	3	1	No

* 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 is an Independent Director and Mr. B K Amarnath Director are the members.

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.

Note : The company couldn't pay Income tax liability of Rs. 12.05 Lacs due to cash flow problems since the Company has Invested large amounts into subsidiaries it could not honor the tax liability. We will clear the tax liability during the current year.

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 2011 - 12. The attendance is as follows.

Name	Number of Meetings Attended
Mr K. Vijaya Raghavan	3
Mr M.V Santhanam	3
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 2011-12 are given below: Amount in Rupees

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
Mr.R. Prithvi Raj	NIL	NIL	NIL
Mr.G.K. Subramanian	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 2012.

6. General Meetings:

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

Financial Year	2008-09	2009-10	2010-11
Date, Time and Venue	30th September 2009 10:00AM "Pai Viceory", No 1504, 16th Cross 9th Main, Jayanagar 3rd Block, Bengaluru – 500 011.	29th September 2010 10:00AM Hotel Pai Vijay #530/58, 33rd Cross, 11th Main, Jayanagar 4th Block, Bengaluru – 500 011.	28th September 2011 10:00AM Manandi Samskriti Sadana, No.317, 9th Main, Opposite 42nd Cross, 5th Block Jayanagar, Bangalore-4
Special Resolutions Passed	No Special Resolutions were passed during 2008-09	Special Resolutions 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 Auhtorised Share Capital to Rs 12 Crores and amendment to MOA and AOA Approval for preferential allotment of 2271427 Equity Shares 	No Special Resolutions were Passed during 2010-2011

(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 5,14,285 equity shares of Rs.1,80,00,000/- to Mr K.S Ekalavya and Mrs. Latha Srinivasan 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. (Formerly Known as De Two Forging Private 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 2012 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	90000	1.19%
Mr. R. Prithvi Raj	292857	3.87%
Mr. G.K. Subramanian	439286	5.81%

(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.

9. General Shareholder Information:

(i) Annual General Meeting	
Date and time	Friday, 28 th of September 2012 at 10.00 A.M.
Venue	Manandi Samskriti Sadana, #317, 9th Main, Opp 42nd Cross, 5th Block, Jayanagar, Bangalore – 560 041
(ii) Financial Calendar (Tentative): Results	Reporting
Quarter 30 th June 2011	On or before 15 th August 2012
Quarter 30 th September 2011	On or before 15 th November 2012
Quarter 31 st December 2011	On or before 15 th February 2013
Quarter ended 31 st March 2012	On or before 15 th May 2013
AGM for approval of Audited accounts for the year ended 31 st March 2013	On or before 30 th September 2013
Financial year	1 st April to 31 st March

(iii) Details of Book closure	From 24 th September 2012 to 28 th September 2012
(iv) Dividend payment	NA
(v) Listing of Equity Shares on Stock Exchanges	Bangalore Stock Exchange Limited Hyderabad Stock Exchange Limited
(vi) Stock code: a. Trading code/symbol Bangalore Stock Exchange code Hyderabad Stock Exchange code	NA NA
b. Demat ISIN Number in NSDL and CDSL for equity shares	INE137B01010
Listing fee	PAID

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

At Bangalore Stock Exchange Rs. 31/- in March 16th 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 Banjara Hills Hyderabad- 500034 Andhra Pradesh Ph 040 23312454,23320751/752/251 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 2012

Sl No	Category		Number of Shareholders	%	Amount Rs.	%
	From	To				
1	1	5000	4372	93.69	5130050	6.78
2	5001	10000	119	2.55	906490	1.20
3	10001	20000	68	1.46	1006010	1.33
4	20001	30000	23	0.49	552800	0.73
5	30001	40000	6	0.13	212900	0.28
6	40001	50000	22	0.47	999000	1.32
7	50001	100000	20	0.43	1683450	2.23
8	100001	above	39	0.84	65123650	86.13
	Total		4669	100	75614350	100

Categories of Shareholders as on 31st March 2012

SI No	Description of Holders	No of Share holders	Shares	% of Equity
1	Promoters			
	a) Individuals / HUF	3	2251580	29.78
	b) Bodies Corporate	0	0	0
2	Banks, Financial Institutions, Insurance Companies	0	0	0
3	Private Corporate Bodies	73	1131286	14.96
4	Indian Public	4587	4099769	54.22
5	Non Resident Indians / Overseas Corporate Bodies	6	78800	1.04
	Total	4688	7561435	100

(xi) Dematerialization of shares and Liquidity.

As on 31st March 2012, 97.16% of the Company's total paid up capital representing 7561435 shares was held in dematerialized form and the balance 2.84% representing 214937 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 Non- 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. 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 : 06-08-2012

T.S Ravi Chandar

B.K Amarnath

Place : BENGALURU

CEO / M.D

Director

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 2011-12.

T.S Ravi Chandar
CEO / M.D.

Date : 06-08-2012

Place : BENGALURU

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

To the members of Intertec Technologies Limited

We have examined the compliance of the conditions of Corporate Governance by Intertec Technologies Limited for the year ended 31st March 2012, 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: 06-08-2012

Place: Bengaluru.

AUDITOR'S REPORT

To,

The Members of INTERTEC TECHNOLOGIES LIMITED, BANGALORE.

We have audited the attached Balance Sheet of Intertec Technologies Limited, as at March 31, 2012 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, 2012 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2012 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 31st, 2012
- (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

Bangalore
30-5-2012

(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., on the Financial Statements for the year ended March 31, 2012)

- 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. (Formerly Known as De-Two Forgings Pvt. Ltd.,) Cimotec Hydro Machines (P)Ltd and Intertec America Inc Rs.511.14 lacs ,Rs.213.05 lacs and Rs. 1.78 lacs respectively. (P.Y. Rs.376.12 lacs)
- b) The company has taken interest free unsecured loans amounting to Rs. 356.07 lacks from directors/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, except Income tax, there are no undisputed amounts payable in respect of Provident Fund, Sales Tax, Customs Duty which are outstanding as on March 31, 2012, for a period of more than six 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 not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. During the year.
- 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.

Bangalore
30-5-2012

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

(H.M.Vrushabhendra Murthy)
Proprietor.
M.No.026432

**INTERTEC TECHNOLOGIES LIMITED
BALANCE SHEET AS AT 31 MARCH, 2012**

Particulars		Note No.	As at 31.03.2012	As at 31.03.2011
I	EQUITY AND LIABILITIES			
(1)	Shareholder's Funds			
	(a) Share Capital	2	7,56,07,350	5,28,46,080
	(b) Equity Shares Issued During the Year		-	2,27,61,270
	(c) Reserves and Surplus	3	16,97,13,747	16,89,85,816
			24,53,21,097	24,45,93,166
(3)	Loans Funds			
	(a) Long-term borrowings(Secured & Unsecured Loans)	4	3,56,07,076	-
	(c) Other Long term liabilities	5	-	1,01,00,000
	(d) Long term provisions	6	20,65,000	11,65,000
			3,76,72,076	1,12,65,000
(4)	Current Liabilities			
	(a) Trade payables	7	28,15,657	7,78,155
	(b) Short term loans and advances		-	-
	(c) Other current liabilities	8	5,74,772	3,30,070
	(d) Short Term Provisions	9	4,96,279	10,87,500
			38,86,708	21,95,725
	Total		28,68,79,881	25,80,53,891
II	ASSETS			
(1)	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets-Net Block	10	1,33,18,832	1,36,71,890
	(ii) Intangible assets	11	9,93,250	5,93,250
			1,43,12,082	1,42,65,140
	(b) Non-current investments	12	15,16,72,340	15,16,72,340
	(d) Long term loans and advances	13	2,02,83,541	2,29,40,184
	(e) Other non-current assets	14	9,51,08,675	6,69,38,048
			26,70,64,557	24,15,50,572
(2)	Current assets			
	(a) Current investments			
	(b) Inventories	15	2,250	1,62,874
	(c) Trade receivables	16	51,56,508	14,13,381
	(d) Cash and Cash Equivalents	17	3,41,969	6,57,909
	(e) Short-term loans and advances		-	-
	(f) Other current assets	18	2,515	4,015
			55,03,242	22,38,179
			-	-
	Total		28,68,79,881	25,80,53,891
SEE ACCOMPANYING NOTES (1 TO 28) TO THE FINANCIALS STATEMENTS			0	(0)
For and on behalf of the Board of Directors		Read with my Report For H.M.V.Murthy & co Chartered Accountants		
T.S.Ravi Chandar Director	B.K.Amarnath Director	H.M.Vrushabhendra Murthy Proprietor M No.026432		
Place: Bangalore Date : 30.05.2012				

INTERTEC TECHNOLOGIES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2012

Particulars		Note No.	For the year ended on 31.03.2012 Rs.	For the year ended on 31.03.2011 Rs.
I.	Revenue from operations	19	1,15,20,600	1,50,70,300
II.	Other Income	20	29,37,978	5,75,869
III.	Total Revenue (I +II)		1,44,58,578	1,56,46,169
IV.	Expenses:			
	Increase in WIP & FG	21	1,60,624	(1,62,874)
	Manufacturing & Others	22	1,00,33,300	1,04,37,341
	Employee Benefits	23	18,016	18,891
	Finance costs	24	995	22,057
	Depreciation and amortization expense	10	4,02,332	7,07,334
	Administrative & Selling Expenses	5	28,10,102	19,80,979
	Total Expenses		1,34,25,369	1,30,03,728
V.	Profit before exceptional and extraordinary items and tax (III - IV)		10,33,208	26,42,441
VI.	Exceptional Items *		-	-
VII.	Profit before extraordinary items and tax (V - VI)		10,33,208	26,42,441
VIII.	Extraordinary Items *		-	-
IX.	Profit before tax (VII - VIII)		10,33,208	26,42,441
X.	Tax expense: (1) Current tax		3,05,277	9,00,000
XI.	Profit/(Loss) for the period from continuing operations (VII-X)		7,27,931	17,42,441
XII.	Profit of Earlier Year B/f		2,26,42,070	2,08,99,629
XIII.	Balance C/f to Balance Sheet		2,33,70,001	2,26,42,070
	Earning per equity share:			
	(1) Basic		0.10	0.23
			-	-

SEE ACCOMPANYING NOTE (1 TO 28) TO THE FINANCIALS STATEMENTS

For and on behalf of the Board of Directors

Read with my Report
For H.M.V.Murthy & co
Chartered Accountants

T.S.Ravi Chandar
Director

B.K.Amarnath
Director

H.M.Vrushabhendra Murthy
Proprietor
M No.026432

Place: **Bangalore**
Date : **30.05.2012**

INTERTEC TECHNOLOGIES LIMITED
Cash Flow Statement

	Particulars	31st March	31st March
		2012	2011
		Rs.	Rs.
I	Cash flow from operating activities		
	Net profit before tax & extraordinary items	10,33,208	26,42,662
	Adjustments for non operating items		
	Depreciation	4,02,332	7,07,334
	Interest paid on borrowings	995	22,057
	Interest received on Fixed Deposit	(4,767)	(4,45,519)
	(Profit) / Loss Sale of Fixed Assets	-	-
		14,31,768	29,26,534
	Adjustments for working capital		
	(Increase)/Decrease in inventories	1,60,624	(1,62,874)
	(Increase)/Decrease in loans & advances	(3,23,29,033)	(10,66,838)
	(Increase)/Decrease in sundry debtors	30,73,422	(18,13,037)
		-	-
	Increase/(Decrease) in current liabilities	(75,09,017)	1,20,61,464
	Cash operating profit/(loss) before income tax	(3,51,72,236)	1,19,45,249
	Income tax	(3,05,277)	(9,00,000)
		(3,54,77,513)	1,10,45,249
	Cash flow from operating activities before extraordinary items		
	Extraordinary items Previous year transaction		(221)
	Net cash flow from operations	(3,54,77,513)	1,10,45,028
II.	Cash flow from investing activities		
	Interest received on Fixed Deposit	4,767	4,45,519
	Proceeds from Sale of Fixed Assets	(49,274)	-
		(44507)	4,45,519
	Total inflow of cash from investing activities		
	Purchase of Fixed Assets	-	(59,538)
	Investment in subsidiaries	-	(10,27,00,000)
	Product Development Expenses	(4,00,000)	(5,93,250)
	Net cash flow from investing activities	(4,44,507)	(10,29,07,269)
III.	Cash flow from financing activities		
	Proceeds from Long term borrowings - Net	3,56,07,076	(11,69,662)
	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	3,56,07,076	7,71,54,928
	Interest paid on borrowings	(995)	(22,057)
	Dividend & Dividend Tax	-	-
	Net cash flow from financing activities	3,56,06,081	7,71,32,871
	Total increase in cash & cash equivalents during the year	(3,15,939)	(1,47,29,370)
	Cash & cash equivalents at the beginning of the year	6,57,909	1,53,87,279
	Cash & cash equivalents at the end of the year	3,41,970	6,57,909
	<i>Note: Figures in brackets represent outflows</i>		
For INTERTEC TECHNOLOGIES LIMITED		Read with my Report 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 : 30-5-2012			

AUDITORS CERTIFICATE

We have examined the above Cash Flow statement of Intertec Technologies Limited for the year ended 31 st March 2012. 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 2012.

For Intertec Technologies Limited

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

T.S.Ravi Chandar
Managing Director

B.K.Amaranath
Director

R.Nagarajan
Company Secretary

H.M.Vrushabhendra Murthy
Proprietor
M.No.26432

Place: Bangalore
Date: 30-5-2012

NOTE - 1

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR 31st MARCH 2012

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. Gratuity liability is accounted on cash basis. Gratuity paid during the year is Rs.NIL/- [PY Rs.NIL)

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.

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) The company has given corporate guarantee towards the loan sanctioned by State Bank of Mysore amounting to Rs 1116.80 Lacs to M/s. Cimotec Hydro Machines Pvt Ltd, a wholly owned subsidiary.
- (ii) The company has also given corporate guarantee towards loan sanctioned by State Bank of India of Rs 280 lacs to Intertec Forge Private Ltd, (Formerly Known as De Two Forging Pvt. Ltd.) a wholly owned subsidiary.
- 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. (Previous year Rs. NIL/-)

15. Previous Year Figures

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

16. Directors' Foreign Travel Rs. NIL (PY. Rs. NIL) Directors' Domestic Travel Rs. NIL (PY. Rs. NIL)

17. 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)
18. 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)
19. The balances of debtors, creditors, loans and advances given/taken are subject to confirmation
20. 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 – 400023 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.
21. Figures for the year have been rounded off to the nearest rupee.

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

T.S.Ravi Chandar
Managing Director

B.K.Amaranath
Director

R. Nagarajan
Company Secretary

H.M.Vrushabhendra Murthy
Proprietor
M.No.26432

Place : Bangalore
Date : 30-5-2012

INTERTEC TECHNOLOGIES LIMITED
NOTE 2 - SHARE CAPITAL

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Authorised: 12000000(Previous period 12000000) equity shares of Rs10 each.	12,00,00,000	12,00,00,000
	12,00,00,000	12,00,00,000
Issued: 7561435 (Previous period 7561435) equity shares of Rs10 each. (Out of which 700 Equity Shares not allotted)	7,56,14,350	7,56,14,350
	7,56,14,350	7,56,14,350
Subscribed and Paid up: 7560735 (Previous period 5284608) equity shares of Rs10 each.	7,56,07,350	5,28,46,080
Equity Shares Issued During the Year 1761842 Equity Shares of 10/-each allotted for cash	-	1,76,18,420
514285 shares allotted towards acquisition of 18000000 equity shares of Cimotec Hydro Machines Pvt Ltd for consideration other than cash (700 Shares not yet allotted)	-	51,42,850
Total	7,56,07,350	7,56,07,350
Out of the above 514285 shares allotted towards acquisition of 18000000 equity shares of Cimotec Hydro Machines Pvt Ltd for Consideration Other than cash.		
	As at 31.03.2012 No of shares	As at 31.03.2011 No of shares
Reconciliation of the no. of shares outstanding at the beginning and at the end of the year:		
No of shares outstanding at the beginning of the year	7560735	5284608
Add: Additional shares issued during the year	0	17,61,842
Add: Additional shares issued during the year for consideration other than cash	0	5,14,285
No of shares outstanding at the end of the year	75,60,735	7,56,735
Number of Shares held by each shareholder holding more than 5 % shares in the company are as follows		
Equity shares		
Particulars	No of shares	%holding
T S Ravichandar	1743960	23.06
M C S Consulting	740346	9.79
K S Ekalavya	514285	6.8
Saraswathi R	482620	6.38
G K Subramanain	439286	5.81
Padma Subramanian	439285	5.81
The Company has only one class of equity shares having a par value of Rs.10 per share. Each shareholder of equity shares is entitled to one vote per share.		

NOTE 3 - RESERVES AND SURPLUS

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Capital Reserves:		
As per last Balance Sheet	39,721	1,62,000
Additions during the year	-	(1,22,279)
	39,721	39,721
Securities Premium Account:		
As per last Balance Sheet	13,99,15,860	8,40,12,540
Additions on shares issued during the year	-	5,59,03,320
	13,99,15,860	13,99,15,860
General Reserve:	50,22,165	50,22,165
Add: Transfer from Profit & Loss Account	-	-
	50,22,165	50,22,165
Investment subsidy from Govt of Karnataka	13,66,000	13,66,000
Surplus:		
As per last Balance Sheet	2,26,42,070	2,08,99,629
Add: Profit/(Loss) for the period	7,27,931	17,42,441
	2,33,70,001	2,26,42,070
Total	16,97,13,747	16,89,85,816

NOTE 4 - LONG TERM BORROWINGS

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Loans and Advances from Director		
Secured		-
Unsecured (interest free loan from directors)	3,56,07,076	-
	3,56,07,076	-
Total	3,56,07,076	-

NOTE 5 - OTHER LONG TERM LIABILITIES

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Sundry Creditors for Purchases	-	1,01,00,000
Total	-	1,01,00,000

NOTE 6 - LONG - TERM PROVISIONS

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Provision for Income Tax	20,25,000	11,25,000
Provision for FBT	40,000	40,000
Total	20,65,000	11,65,000

NOTE 7 - TRADE PAYABLES

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Trade payables	28,15,657	7,78,155
Total	28,15,657	7,78,155

NOTE 8 - OTHER CURRENT LIABILITIES

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Unpaid dividends (FY 2004-05)	1,11,715	1,11,715
	1,11,715	1,11,715
Sundry creditors for expenses	4,63,057	2,18,355
Total	5,74,772	3,30,070

Notes:-

There are no amount due for payment to the Investor Education and Protection Fund u/s 205(C) of the companies Act 1956.

NOTE 9 - SHORT-TERM PROVISIONS

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Tax provision less payments (Current tax)	-	
(2010-11)	-	9,00,000
(2011-12)	3,05,277	
<u>Other Provisions</u>	-	
Audit Fee Payable	1,91,002	1,87,500
Total	4,96,279	10,87,500

NOTE 10 - FIXED ASSETS

	Cost			Depreciation / Amortization/ Diminution				Net Block		
	As at 1st April 2011 Rs.	Additions during the year Rs.	Deductions during the year Rs.	As at 31st March, 2012 Rs.	Upto 31st March, 2011 Rs.	For the year Rs.	On Deductions* Rs.	Upto 31st March, 2012 Rs.	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
TANGIBLE ASSETS										
Computers	2,96,25,550	14,390	-	2,96,39,940	2,88,30,379	1,17,996	-	2,89,48,375	6,91,565	7,95,171
Testing Equipments	82,980	-	-	82,980	73,356	984	-	74,340	8,640	9,624
Furnitures & Fixtures	31,69,401	-	-	31,69,401	19,00,221	50,020	-	19,50,241	12,19,160	12,69,180
Building-Gem Plaza	58,33,941	-	-	58,33,941	3,62,528	94,832	-	4,57,360	53,76,581	54,71,413
Office Equipment	87,76,010	34,884	-	88,10,894	26,49,508	1,38,500	-	27,88,008	60,22,886	61,26,502
Motor Vehicles	7,65,927	-	-	7,65,927	7,65,927	-	-	7,65,927	-	-
Total	4,82,53,809	49,274	-	4,83,03,083	3,45,81,919	4,02,332	-	3,49,84,251	1,33,18,832	1,36,71,890
Previous year	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

Note 11 - INTANGIBLE ASSETS

INTANGIBLE ASSETS										
Product Development Expenses	593250	400000	0	993250	0	0	0	0	9,93,250	0

NOTE 12 - NON CURRENT INVESTMENTS

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Investments in Equity Instruments		
- Investment in Equity Shares of Intertec America Inc. (654,000 Number of shares having face value of 1.00 USD each, of which fully paid up)	3,02,21,340	3,02,21,340
- Investment in Equity Shares of Intertec Forge Pvt. Ltd. (18,30,000 Number of shares having face value of Rs.10.00 each, of which fully paid up) Including	6,04,51,000	6,04,51,000
- Share Application Money Pending for Deposit		
- Investment in Equity Shares of Cimotec Hydro Machines Pvt. Ltd. (60,00,000 Number of shares having face value of Rs.10.00 each, of which fully paid up)	6,10,00,000	6,10,00,000
- Take over Charges (Rs.10,00,000)		
Total	15,16,72,340	15,16,72,340

NOTE 13 - LONG TERM LOANS AND ADVANCES

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Other Loans and Advances		
Considered Good	1,76,27,301	2,02,83,944
Considered Doubtful	-	-
Less: Provision for Doubtful Advances and Loans	1,76,27,301	2,02,83,944
Advance Tax & TDS (including refunds receivables)	26,21,240	26,21,240
Tax paid in advance less provision (fringe benefit tax)	35,000	35,000
Total	2,02,83,541	2,29,40,184

NOTE 14 -OTHER NON CURRENT ASSETS

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
a) Advance given to subsidiaries		
Considered Good	7,25,97,650	3,76,11,991
Considered Doubtful	-	-
Less: Provision for Doubtful Trade Receivables	7,25,97,650	3,76,11,991
	-	-
	7,25,97,650	3,76,11,991
b) Deposits with more than 12 months maturity		
Sales Tax Deposit	2,000	2,000
Gas Deposit	1,800	1,800
KEB Deposit	90,360	90,360
Telephone Deposit	23,249	22,822
Term Deposit	75,408	75,408
Interest A/c	1,090	-
	1,93,907	1,92,390
c) Others (Long Term Trade Receivables)	2,23,17,118	2,91,33,667
Total	9,51,08,675	6,69,38,048

NOTE 15 - INVENTORIES

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Inventories	2,250	1,62,874
Total	2,250	1,62,874

NOTE 16 - TRADE RECEIVABLES (SUNDRY DEBTORS)

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
(Unsecured, considered good unless otherwise stated)		
1) Debts due for a period exceeding six months		
Considered Good	26,04,665	13,45,250
Considered Doubtful	-	-
	26,04,665	13,45,250
2) Other Debts:		
Considered Good for a period less than six months	25,51,843	68,131
Considered Doubtful	-	-
	25,51,843	68,131
Total	51,56,508	14,13,381

NOTE 17 - CASH AND CASH EQUIVALENTS

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Balances with banks in - Current Accounts	1,79,193	4,34,205
	1,79,193	4,34,205
Cash on hand	1,62,776	2,23,704
Total	3,41,969	6,57,909

NOTE 18 - OTHER CURRENT ASSETS

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Staff Advance	2,515	4,015
Total	2,515	4,015

NOTE 19 - REVENUE FROM OPERATIONS

	For the year ended on 31.03.2012	For the year ended on 31.03.2011 Rs.
Export Sale of products	1,15,20,600	1,50,70,300
Total	1,15,20,600	1,50,70,300

NOTE 20 - OTHER INCOME

	For the year ended on 31.03.2012 ₹	For the year ended on 31.03.2011 ₹
Interest income Earned	4,772	4,45,519
Miscellaneous Income	-	1,30,350
Foreign Exchange Gain	29,33,206	-
Total	29,37,978	5,75,869

NOTE 21 - (INCREASE) / DECREASE STOCKS OF FINISHED GOODS AND WORK - IN - PROGRESS

	For the year ended on 31.03.2012 ₹	For the year ended on 31.03.2011 ₹
Opening stock:		
Work - in - progress	1,62,874	-
Finished goods	-	-
	1,62,874	-
Closing stock:		
Work - in - progress	2,250	1,62,874
Finished goods	-	-
	2,250	1,62,874
Total	1,60,624	(1,62,874)

NOTE 21 A - CIF Value of Imports

Particulars	For the year ended on 31.03.2012	For the year ended on 31.03.2011
	Rs.	Rs.
Purchases Import	82,00,000	1,01,00,000
Total	82,00,000	1,01,00,000

NOTE 22 - MANUFACTURING & OTHER EXPENSES

	For the year ended on 31.03.2012	For the year ended on 31.03.2011
	₹	₹
Software Development Expenses		
Purchase Import	82,00,000	1,01,00,000
Staff Cost	-	2,25,647
Consultancy Charges	18,08,300	90,200
Consumables	-	21,494
Grafic Design Charges	25,000	-
	1,00,33,300	1,04,37,341

NOTE 23 - EMPLOYEE BENEFIT EXPENSE

	For the year ended on 31.03.2012	For the year ended on 31.03.2011
	₹	₹
Staff welfare expenses	18,016	18,891
Total	18,016	18,891

NOTE 24 - FINANCE COSTS

	For the year ended on 31.03.2012	For the year ended on 31.03.2011
	₹	₹
Interest on SBM O/D	-	12,312
Other Interest	600	605
Bank Charges	395	9,140
Total	995	22,057

NOTE 25 - Administration & Selling Expenses

	For the year ended on 31.03.2012 ₹	For the year ended on 31.03.2011 ₹
Repairs & Maintenance:		
Plant & Machinery	43,665	13,713
Others	29,036	64,731
Building	200	-
Rent	4,80,000	4,80,000
Travelling & Conveyance	83,571	85,611
Electricity & Water Charges	1,01,702	65,208
Training Expenses	99,668	-
Insurance	-	4,455
Share Transfer Fees	2,05,675	1,95,000
Security Services	22,800	22,800
AGM Expenses	16,429	1,17,628
Rates & Taxes	23,113	3,67,652
Advertising	1,39,974	66,350
Postage & Courier & Telephone Expenses	38,464	99,363
Printing & Stationery	1,04,170	1,16,290
Miscellaneous Office Expenses	2,32,718	1,98,602
Legal & Professional Charges	21,721	30,500
Membership Seminar Fees	16,545	42,955
Commission & Brokerage	-	4,500
Donation	5,000	-
EGM Expenses	-	5,400
Other Services	11,45,652	-
Prior period items	-	221
Total	28,10,102	19,80,979

Prior period items represent net of Bonus payable and interest paid .

NOTE 25 a - MISCELLANEOUS EXPENSES INCLUDE PAYMENT TO AUDITORS

Particulars	For the year ended on 31.03.2012 ₹	For the year ended on 31.03.2011 ₹
Audit fees	98,502	75,000
Tax Audit fees	25,000	25,000
Other services (including quarterly Review Report)	87,500	87,500
Total	2,11,002	1,87,500

NOTE 26 - Related Party Disclosures

A) Name of the related party and nature of relationship where control exists:

Name of Related Party	Nature of Relationship
Intertec Forge Pvt. Ltd.	Holding - Subsidiary
Cimotec Hydro Machines (P) Ltd.	Holding - Subsidiary
Intertec America Inc	Holding - Subsidiary
Mrs. M Muthulakshmi	Key Managerial person (Director's Mother)
B K Amarnath	Key Managerial person (Director)
T S Ravichandar	Key Managerial person (Director)
Subramaniam G K	Key Managerial person (Director)

B) Related Party Transactions:

Name of Related Party	Description of Relationship	Nature of Transactions	TOTAL (in Rs.)
Intertec Forge Pvt. Ltd.	Subsidiary	Loans & Advances (Debit balance)	5,11,13,650 (P Y 3,25,77,919
Cimotec Hydro Machines (P) Ltd.	Subsidiary	Loans & Advances (Debit balance)	2,13,05,283 (P Y 48,55,355)
Intertec America Inc	Subsidiary	Software Purchase (Debit balance)	178717 (P Y 178717)
Intertec America Inc	Subsidiary	S Creditors (Balance)	NIL (P Y 10100000)
Intertec America Inc	Subsidiary	S Debtors (Balance)	NIL (13,45,250)
Mrs. M Muthulakshmi	Key Managerial personal(Director's Mother)	Rent for Registered Office	4,80,000 (P Y 4,80,000)
B K Amarnath	Key Managerial personal(Director)	Loans & Advances (Credit balance)	3,17,93,208 (P.Y Nil)
T S Ravichandar	Key Managerial personal(Director)	Loans & Advances (Credit balance)	2,63,868 (P Y. Nil)
.Subramaniam G K R	Key Managerial personal(Director)	Loans & Advances (Credit balance)	36,50,000 (P.Y Nil)

NOTE 27 - Earning per Share

The amount used as the numerator in calculating basic and diluted earnings per share is the net profit after tax for the year disclosed in the Profit and Loss Account.

NOTE 28 - The previous years figures have been regrouped/restated wherever necessary to conform with current years classification.

INTERTEC TECHNOLOGIES LTD

SUMMARISED STATEMENT OF FINANCIALS OF SUBSIDIARY COMPANIES PURSUANT TO GENERAL CIRCULAR NUMBER 2/2011 ISSUED BY MINISTRY OF CORPORATE AFFAIRS, GOVERNMENT OF INDIA

Sl. No.	NAME OF SUBSIDIARY	REPORTING CURRENCY	CAPITAL	SHARE APPLICATION MONEY PENDING ALLOTMENT	RESE-RVES	TOTAL ASSETS	TOTAL LIABILITIES	INVESTMENTS	TURNOVER /TOTAL INCOME	PROFIT BEFORE TAXATION AFTER PRIOR PERIOD ADJUSTMENTS	PROVISION FOR TAXATION	PROFIT AFTER TAXATION	COUNTRY
1	INTERTEC AMERICA INC	Rs. in Lacs	291	-	-79	302	90	-	68.0	-0.7	0	-0.7	USA
2	INTERTEC FORGE PVT LTD	Rs. in Lacs	183	417	92	1609	917	-	454	3	1	2	INDIA
3	CIMOTEC HYDROMACHINES PVT LTD	Rs. in Lacs	600	-	35	2078	1442	0.19	488	9	3	6	INDIA

REPORT OF THE AUDITORS TO THE BOARD OF DIRECTORS OF INTERTEC TECHNOLOGIES LIMITED

We have audited the attached consolidated Balance Sheet of Intertec Technologies Limited and its subsidiaries (the Group) as at March 31, 2012 and also the consolidated Profit and Loss Account for the year ended on that date, annexed thereto. These consolidated financial statement 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.301.58 lacs as against the Consolidated total assets of Rs.4630.27 lacs as at 31st March 2012 the total revenues of Rs.68 lacs as against the Consolidated total revenue of Rs.996.19 lacs for the year ended on that date, in the consolidated financial statements. We report that the consolidated financial statement have been prepared by Intertec Technologies Limited's 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, 2012

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.

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

Bangalore
30-5-2012

(H.M.Vrushabhendra Murthy)
Proprietor.
M.No.26432

Intertec Technologies Limited
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2012

Particulars		Note No.	As at 31.03.2012	As at 31.03.2011
I	EQUITY AND LIABILITIES			
(1)	Shareholder's Funds			
	(a) Share Capital	2	7,56,07,350	7,56,07,350
	(b) Reserves and Surplus	3	17,35,78,131	17,20,85,143
			-	-
			24,91,85,481	24,76,92,493
(2)	Non-Current Liabilities			
	(a) Long-term borrowings	4	6,63,56,315	5,57,31,019
	(b) Deferred tax liabilities (Net)	5	1,14,36,000	1,14,36,000
	(c) Other Long term liabilities	6	2,36,50,003	3,13,61,577
	(d) Long term provisions	7	20,65,000	11,30,000
			10,35,07,319	9,96,58,596
(3)	Current Liabilities			
	(a) Short-term borrowings	8	3,84,00,387	3,81,04,368
	(b) Trade payables	9	2,34,24,032	65,74,997
	(c) Other current liabilities	10	4,74,04,341	4,37,81,463
	(d) Short-term provisions	11	11,05,909	21,73,178
			11,03,34,670	9,06,34,006
	Total		46,30,27,470	43,79,85,095
II	ASSETS			
(1)	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	12	24,16,36,357	22,91,72,298
	(ii) Intangible assets	13	42,53,149	24,83,098
			-	-
			24,58,89,506	23,16,55,396
(2)	(a) Good will on consolidation		16,07,340	16,07,340
	(b) Non-current investments	14	18,700	18,700
	(c) Long term loans and advances	15	2,35,49,499	2,39,36,230
	(d) Other non-current assets	16	3,24,98,115	3,91,58,085
			5,60,66,314	6,47,20,355
(3)	Current assets			
	(a) Inventories	17	8,38,13,807	6,78,23,004
	(b) Trade receivables	18	5,28,07,672	4,59,87,497
	(c) Cash and Cash Equivalents	19	33,77,941	42,67,902
	(d) Short-term loans and advances	20	1,62,65,825	1,84,78,625
	(e) Other current assets	21	31,99,064	50,52,317
			-	-
			15,94,64,309	14,16,09,344
	Total		46,30,27,470	43,79,85,095

SEE ACCOMPANYING NOTE (1 TO 31) TO THE FINANCIALS STATEMENTS

For and on behalf of the Board of Directors

T.S.Ravi Chandar
Director

B.K.Amarnath
Director

Read with my Report
For H.M.V.Murthy & co
Chartered Accountants

Place: **Bangalore**
Date : **30.05.2012**

H.M.Vrushabhendra Murthy
Proprietor
M No.026432

Intertec Technologies Limited
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2012

Particulars		Note No.	For the year ended on	
			31.03.2012 Rs.	31.03.2011 Rs.
I.	Revenue from operations	22	9,42,51,812	11,53,18,107
II.	Other Income	23	53,67,452	10,81,585
III.	Total Revenue (I +II)		9,96,19,264	11,63,99,692
IV.	Expenses:			
	Cost of materials consumed	24	2,67,73,374	4,49,46,938
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	25	(60,50,012)	(22,09,861)
	Manufacturing Expenses	26	3,41,00,677	3,24,25,989
	Employee benefit expense	27	91,93,777	82,91,776
	Finance Expenses	28	1,39,96,075	94,48,434
	Depreciation and amortization expense	12	83,06,806	75,22,845
	Other expenses(Admin & Selling)	29	90,98,999	91,49,413
	Total Expenses		9,54,19,696	10,95,75,534
V.	Profit before exceptional and extraordinary items and tax (III - IV)		41,99,568	68,24,158
VI.	Exceptional Items *		-	-
VII.	Profit before extraordinary items and tax (V - VI)		41,99,568	68,24,158
VIII.	Extraordinary Items *	30	18,37,823	-
	Prior Period Items	29a	1,90,649	24,166
IX.	Profit before tax (VII - VIII)		21,71,096	67,99,992
X.	Provision for Tax (1) Current tax (2) Deferred tax		6,78,108 -	17,50,000 -
XI.	Profit(Loss) for the period from continuing operations		14,92,987	50,49,992
XII.	Profit of Earlier Year B/f		1,97,60,331	1,60,32,059
XIII.	Profit/(Loss) for the period		2,12,53,318	2,10,82,051
	Transfer to Capital Reserve on acquisition of Cimotec Hydro Machines Pvt. Ltd. as on 31-8-2011		-	13,21,721
	BALANCE C/F TO BALANCE SHEET		2,12,53,318	1,97,60,331

SEE ACCOMPANYING NOTE (1 TO 31) TO THE FINANCIALS STATEMENTS

For and on behalf of the Board of Directors

T.S.Ravi Chandar
Director

B.K.Amarnath
Director

Read with my Report
For H.M.V.Murthy & Co
Chartered Accountants

Place: **Bangalore**
Date : **30.05.2012**

H.M.Vrushabhendra Murthy
Proprietor
M No.026432

Intertec Technologies Limited

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

Particulars		31st March 2012 Rs.	31st March 2011 Rs.
I	Cash flow from operating activities		
	Net profit before tax & extraordinary items	41,99,568	67,22,456
	Adjustments for non operating items		
	Depreciation / Miscelleneous expenses absorbed	83,06,806	67,51,956
	Misceleneous expenses absorbed		
	Interest paid on borrowings	1,39,96,075	94,60,879
	Interest received on Fixed Deposit	(15,14,991)	(7,54,588)
		2,49,87,458	2,21,80,703
	Adjustments for working capital		
	(Increase)/Decrease in inventories	(1,59,90,803)	(1,94,86,153)
	(Increase)/Decrease in loans & advances	3,41,13,683	(2,89,46,514)
	(Increase)/Decrease in sundry debtors	(2,98,21,105)	(2,99,19,694)
	Increase/(Decrease) in current liabilities	1,77,96,298	5,37,94,437
	Cash operating profit/(loss) before income tax	3,06,98,799	(23,77,221)
	Income tax	6,78,108	(17,50,000)
	Cash flow from operating activities before extraordinary items	2,00,70,967	(41,27,221)
	Extraordinary items Previous year transaction	20,28,472	(24,166)
	Net cash flow from operations	2,79,92,219	(41,51,387)
II.	Cash flow from investing activities		
	Interest received on Fixed Deposit	15,14,991	7,54,588
	Proceeds from Sale of Fixed Assets		
	Proceeds from sale of investments(net)		(18,700)
	Total inflow of cash from investing activities	15,14,991	7,35,888
	Purchase of Fixed Assets	(2,25,40,916)	(15,83,91,852)
	Net cash flow from investing activities	(2,10,25,925)	(15,76,55,964)
III.	Cash flow from financing activities		
	Proceeds from Long term borrowings - Net	(50,46,333)	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	2,96,019	
	(Repayment)/Proceeds of Unsecured Loans	2,08,39,857	16,58,616
	Inflow of cash	1,60,89,543	15,78,07,433
	Interest paid on borrowings	(1,39,96,075)	(94,60,879)
	Net cash flow from financing activities	20,93,468	14,83,46,554
	Total increase in cash & cash equivalents during the year	(8,89,963)	(1,34,60,797)
	Cash & cash equivalents at the beginning of the year	42,67,902	1,77,28,699
	Cash & cash equivalents at the end of the year	33,77,940	42,67,902

Note: Figures in brackets represent outflows

For and on behalf of the Board of Directors

T.S.Ravi Chandar
Director

B.K.Amarnath
Director

Read with my Report

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

Place: **Bangalore**
Date: **30.05.2012**

H.M.Vrushabhendra Murthy
Proprietor
M No.026432

AUDITORS CERTIFICATE

We have examined the above Consolidated Cash Flow statement of Intertec Technologies Limited for the year ended 31 st March 2012. 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 2012.

For Intertec Technologies Limited

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

T.S.Ravi Chandar
Managing Director

B.K.Amaranath
Director

R.Nagarajan
Company Secretary

H.M.Vrushabhendra Murthy
Proprietor
M.No.26432

Place: Bangalore
Date: 30-5-2012

NOTES TO THE CONSOLIDATED ACCOUNTS

NOTE-1

- 1 The consolidated financial statements have been prepared in accordance with the general principles of accounting standards 21 "Consolidated Financial Statements" issued by the ICAI.
- 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 31.03.2012	Percentage of ownership interest as at 31.03.2011
1	Intertec Forge Private Limited.(formerly De Two Forging Pvt Ltd)	India	100%	100%
2	Cimotec Hydro Machines Private Limited	India	100%	100%
3	Intertec, America Inc	USA	100%	100%

- 3 The Financial statements of all subsidiaries, considered in the consolidated accounts, are drawn up to 31 March 2012.
- 4 Segment wise revenue reporting:

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

PARTICULARS	INTERNATIONAL	DOMESTIC	TOTAL
	31.03.2012	31.03.2012	31.03.2012
SEGMENT REVENUE	Rs.	Rs.	Rs.
1. Information Technology	115.20	29	144.57
2 Heavy Fabrication products		424	424.06
3. Cold Forging and Engineering Products	0	427.52	427.52
Total Segments Revenue	115.20	880.95	996.15
Segment Revenue (Profit Before Prior Period Adjustments, Interest & Tax)			
1. Information Technology	12.35	0.00	12.35
2 Heavy Machining products		112.98	112.98
3. Cold Forged Engineering Products	0	56.70	56.70
Total Segments Profit	12.35	169.68	182.03
Less: Interest	0.01	139.94	139.95
Profit Before Prior Period Adjustment & Tax			
Tax	12.34	29.74	42.08

- 5 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.
- 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 into use.
- 7 The information regarding SSI Units under completion and hence dues to such units cannot be readily determined

8 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.

9 Retirement benefits to employees

a) 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/-)

b) The subsidiary company Intertec Forge Pvt. Ltd's (Formerly Known as De Two Forging Private Limited) liability towards retirement benefits in the form of Provident Fund is fully funded and charged 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 Intertec Forge Pvt. Ltd's (Formerly Known as De Two Forging Private Limited) is paid and accounted on cash basis. Gratuity paid during the year is Rs NIL/- (PY. Rs. 83,320/-).

10 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.

11 Provisions:

Provision for income tax is provided by the company, as per the Income Tax Act, 1961,

12 As the original promoter of Cimotec Hydro Machines Pvt. Ltd. (Wholly Owned Subsidiary) Mr K S Ekalavya & Mrs Latha Srinivasan are not traceable from 25/04/2012. Board has decided to Finalise the accounts on as basis. Management has taken sufficient care in preparing accounts, any surprises arises will be dealt in the following year.

For Intertec Technologies Ltd.

Read with my Report
For H.M.V.Murthy & Co.,
Chartered Accountants

T.S.Ravi Chandar
Managing Director

B.K.Amaranath
Director

R.Nagarajan
Company Secretary

H.M.Vrushabhendra Murthy
Proprietor
M.No.26432

Place: Bangalore
Date: 30-5-2012

NOTE 2 - SHARE CAPITAL

	As at 31.03.2012	As at 31.03.2011
Authorised: 1,20,00000 (Previous period 120,000,00) equity shares of Rs10 each.	12,00,00,000	12,00,00,000
	12,00,00,000	12,00,00,000
Issued: 7561435 (Previous period 7561435) equity shares of Rs10 each. (Out of which 700 equity shares are not allotted.)	-	-
	7,56,14,350	7,56,14,350
	7,56,14,350	7,56,14,350
Subscribed and Paid up: 7560735 equity shares of Rs10 each. (Previous period 7560735 Equity Shares shares of Rs10/-.... Each) fully paid up .	7,56,07,350	7,56,07,350
TOTAL	7,56,07,350	7,56,07,350
Out of the above 514285 shares allotted towards acquisition of 18000000 equity shares of Cimotec Hydro Machines Pvt Ltd for consideration other than cash		
Reconciliation of the no. of shares outstanding at the beginning and at the end of the year.	As at 31.03.2012	As at 31.03.2011
No of shares outstanding at the beginning of the year	75,60,735	52,84,608
Add: Additional shares issued during the year		17,61,842
Add: Additional shares issued during the year for consideration other than cash		5,14,285
No of shares outstanding at the end of the year	75,60,735	75,60,735

Number of shares held by each shareholder holding more than 5% shares in the company are as follows

Particulars	Number of shares as at 31.03.2012	% of Holding
Equity Shares:		
T S Ravichandar	17,43,960	23
M C S Consulting	7,40,346	10
K S Ekalavya	5,14,285	7
Saraswathi R C	4,82,620	6
G S Subramanian	4,39,286	6
Padma Subramanian	4,39,285	6

The company has only one class of equity shares having a par value of Rs. 10/-per share. Each share holder of equity shares is entitled to one vote per share.

NOTE 3 - RESERVES AND SURPLUS

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Capital Reserves:		
As per last Balance Sheet	3,61,442	3,61,443
Additions during the year	(39,721)	
	3,21,721	3,61,443
Securities Premium Account:		
As per last Balance Sheet	13,99,15,860	13,99,15,860
Additions on shares issued during the year	-	-
	13,99,15,860	13,99,15,860
General Reserve:		
As per last Balance Sheet	1,06,81,510	1,06,81,510
Add: Transfer from Capital Reserve Account	39,721	
	1,07,21,231	1,06,81,510
Investment subsidy from Govt of Karnataka	13,66,000	13,66,000

Surplus:		
As per last Balance Sheet	1,97,60,331	1,97,60,330
Add: Profit/(Loss) for the period	14,92,987	
	17,35,78,130	17,20,85,143
TOTAL	17,35,78,130	17,20,85,143

NOTE 4 - LONG TERM BORROWINGS

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Term Loans		
- from Banks		
Secured		
SBM Term Loan	2,65,09,747	3,59,62,047
Reliance capital loan	16,48,982	24,11,243
	2,81,58,729	3,83,73,290
From Directors		
Secured		
Un Secured	25,90,510	4,49,000
	25,90,510	4,49,000
Loans and Advances from related parties		
Secured	-	-
Unsecured (Interest free loan from Directors)	3,56,07,076	1,69,08,729
	3,56,07,076	1,69,08,729
Total	6,63,56,315	5,57,31,019

NOTE 3a:

Cimotec Hydro Machines Private Limited

1. Company has borrowed a loan of Rs. 5,90,00,000 with State Bank of Mysore. The interest was fixed at 17% P A and is secured by EQM of 4.6 acres of industrial land and building constructed out of bank finance, situated at no.149/1a and 151/1 Boodhihal Village Kasaba Hobli Nelamangala Taluk Bangalore Rural District valued at Rs.611.70 lacs as per valuation given by Empanelled Valuer M/s SS Industrial Consultants. And also secured by 1st charge on the plant and machinery financed by the bank. Personal guarantee of directors and Corporate guarantee from Intertec Technologies Ltd (Holding Company) is extended towards such loan.
2. Company has borrowed vehicle loan and crane loan from Reliance Capital Ltd. The current outstanding balance with Reliance capital ltd is Rs. 24,67,640 /-. And is secured by hypothecation of motor vehicle.

NOTE 5

- (i) Break up of deferred tax asset as at year end:

Nature of timing difference	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Carried forward tax losses	1,14,36,000	1,14,36,000
Total	1,14,36,000	1,14,36,000

- (ii) Deferred tax asset/(liability) net: (1,14,36,000)

Deferred tax is recognised on timing differences between the accounting income and the taxable income for the current year and is quantified using the tax rates prevailing for the current period.

The effect on deferred tax assets and liabilities resulting from change in tax rates is recognized in the income statement in the period of enactment of the change.

NOTE 6 -OTHER LONG TERM LIABILITIES

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
a) Long Term Trade payables Considered Good	2,36,50,003	3,13,61,577
Total	2,36,50,003	3,13,61,577

NOTE 7 - LONG- TERM PROVISIONS

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Provision for Income tax	20,25,000	11,25,000
Provision for FBT	40,000	5,000
Total	20,65,000	11,30,000

NOTE 8 - SHORT TERM BORROWINGS

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Working Capital advances Secured	3,00,48,069	3,27,64,255
(Secured by hypothication of stocks and book debts and Hypothecation of fixed assets of the Company)		
- from other parties	3,00,48,069	3,27,64,255
Secured		
Unsecured		53,40,114
Other loans and advances Bills discounting Secured (documentary bills)	83,52,319	
Total	3,84,00,387	3,81,04,368

Intertec Forge Private Ltd (Formerly Known as Detwo Forging Pvt. Ltd.)

Company has working capital facilities to the extent of Rs.200 lacs fund based cash credit limit and Rs.80 lacs non fund based limit of Bank guarantee and Letter of credit with state bank of India.

The loans are secured by way of hypothecation of company's all stocks and receivables and fixed assets.

Collateral security of building situated at S1, 2nd floor Gem plaza Infantry Road, Near Shivaji Nagar belonging to Holding company(Intertec Technologies Ltd) is extended.

Corporate Guarantee from intertec Technologies Ltd (Holding Company) extended towards such loan.

Cimotec Hydro Machines Pvt Ltd

Company has Fund based working capital facilities consisting of Rs. 100 lacs cash credit, Rs. 150lacs supply bills and Non Fund based working capital facilities of Rs. 135 lacs. These loans are secured by raw materials, semi finished goods and personal guarantee of some of the directors and Corporate Guarantee from Intertec Technologies Ltd. (Holding Company).

NOTE 9 - TRADE PAYABLES

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Trade payables	2,34,24,032	65,74,997
Total	2,34,24,032	65,74,997

NOTE 10 - OTHER CURRENT LIABILITIES

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Current maturities of long-term debt (refer note no.3)	1,63,91,205	1,16,18,580
Interest accrued and due on borrowings	10,21,556	6,25,953
Unpaid dividends*	1,11,715	1,11,715
	1,75,24,476	1,23,56,248
<u>Other Payables</u>		
Sundry Creditors for Capital Goods	14,90,585	29,11,046
Sundry Creditors for sub contracts (SSI)	17,03,217	
Sundry Creditors for labour	12,40,437	
Sundry Creditors for Transportation	7,21,083	
Sundry Creditors for Expences	1,34,42,584	1,60,17,199
Other Financial charges payable	2,13,311	2,30,002
Statutory Dues/ Taxes	19,74,342	14,37,317
Advace from Customer	61,67,773	9,87,265
other creditors	-	78,47,621
Outstanding Liabilities	29,26,533	19,94,765
	2,98,79,866	3,14,25,215
Total	4,74,04,341	4,37,81,463

Notes:-

There are no amount due for payment to the Investor Education and Protection Fund u/s 205C of the companies Act 1956.

NOTE 11 - SHORT-TERM PROVISIONS

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Tax provision less payments (Current tax)	-	
(2010-11)	-	17,50,000
(2011-12)	6,78,108	
Audit fee payable	4,27,801	4,23,178
Total	11,05,909	21,73,178

NOTE 12 FIXED ASSEST

SL	PARTICULARS	COST		ADDITIONS DURING THE PERIOD	SALE/ TRANSFER DURING THE PERIOD	TOTAL		AS ON		DEP FOR THE YEAR	AS ON		AS ON 31/3/2012	AS ON 31/3/2011
		AS ON 01/04/2011	AS ON 31-03-2012			AS ON 01-04-2011	AS ON 31-03-2012	AS ON 31-03-2012	AS ON 31/3/2012					
	Plant and Machinery													
	(a). Computers	3,28,88,666	3,29,03,056	14,390		3,06,22,506	3,11,66,205	17,36,851	22,66,160					
	(b). Testing Equipments	82,980	82,980			73,556	74,340	8,640	9,624					
	(c). Plant & Machinery	14,48,52,816	15,41,33,567	92,80,751		2,39,82,049	2,80,34,024	12,60,99,543	12,08,70,767					
	(d). Jigs & Tools	1,38,33,589	1,38,33,589			33,77,286	38,12,949	1,00,20,640	1,04,56,303					
	(e). Electrical Installations	38,20,248	38,20,248			7,11,412	8,59,671	29,60,577	31,08,836					
	(e). Quality Control Equipments	70,000	70,000			9,091	11,296	58,704	60,909					
	(e). Dies	55,38,442	83,38,648	28,00,206			-	83,38,648	55,38,442					
	Mobile phone	89,190	89,190			23,728	28,910	60,280	65,462					
	Furniture and Fixtures	53,24,355	53,24,355			25,41,942	26,97,063	26,27,302	27,82,413					
	Motor Vehicle	80,41,123	70,25,643		10,15,480	32,16,632	38,10,439	32,15,204	48,24,491					
	Office Equipments	94,52,909	94,87,793	34,884		29,48,665	31,16,444	63,71,349	65,04,244					
	Building-Gem Plaza	58,33,941	58,33,941			3,62,528	4,57,360	53,76,581	54,71,413					
	Buildings	5,74,97,940	6,71,05,054	96,07,114		61,36,381	78,63,238	5,92,41,816	5,13,61,559					
	Digital Camera	4,899	4,899			598	1,125	3,774	4,301					
	EPABX	47,560	47,560			788	2,286	45,274	46,772					
	Plant & Machinery Refurbishing	1,04,60,330	1,04,60,330			1,13,230	4,42,659	1,00,17,671	1,03,47,100					
	LAND	54,53,503	54,53,503			0	0	54,53,503	54,53,503					
	TOTAL	30,32,92,491	32,40,14,356	2,17,37,345	10,15,480	7,41,20,192	83,06,807	8,23,77,999	22,91,72,299					
	Previous Year	26,77,66,866	30,32,92,491	4,19,37,752	64,12,127	4,85,97,348	75,22,845	22,91,72,299	21,91,69,518					

NOTE 13- Intangible Assets

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
New Product Development	42,53,149	24,83,098
Total	42,53,149	24,83,098

NOTE 14 - NON CURRENT INVESTMENTS

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Non CURRENT INVESTMENTS (Quoted/ Unquoted) (Trade/Non-trade)		
Krishna Jala Bhagya Nigan (Deep Discount Bonds)	3,700	3,700
	15,000	15,000
Less: Provision for diminution in value of investments		
Total	18,700	18,700

Unquoted Investment Rs.18700 market value as certified by the directors.

NOTE 15 - LONG TERM LOANS AND ADVANCES

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
(Unsecured, considered good unless otherwise stated)		
Other Loans and Advances		
Considered Good	1,90,84,324	2,13,14,990
Considered Doubtful		
Less: Provision for Doubtful Advances and Loans	-	-
	1,90,84,324	2,13,14,990
Advance Tax and TDS	26,56,240	26,21,240
Vat Receivable	18,08,935	
	44,65,175	26,21,240
Total	2,35,49,499	2,39,36,230

NOTE 16 - OTHER NON CURRENT ASSETS

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
(Unsecured, considered good unless otherwise stated)		
long Term Trade Recivables	2,67,57,173	37,56,243
a) Advance given to subsidiaries	1,717	1,717
	2,67,58,890	37,57,960
Less: Provision for Doubtful Trade Receivables	2,67,58,890	37,57,960
b) Deposits with more than 12 months maturity		
Cylinder Deposit	11,230	13,030
Term Deposit	75,408	81,284
Sales Tax Deposit	2,000	3,000
KEB Deposit	15,92,472	15,92,472
Telephone Deposit	45,225	38,922
LIC Gratutiy Deposit	1,000	
Gas Deposit	1,800	
Rent Deposit - BS Padmavati	5,65,000	5,65,000
Other Deposits	1,090	
KCC Deposits	-	2,96,62,417
	22,95,225	3,19,56,125
c) Others		
Land Advance	31,19,000	31,19,000
Bank Margin	3,25,000	3,25,000
Total	3,24,98,115	3,91,58,085

NOTE 17 - INVENTORIES

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Raw materials	2,60,21,936	2,00,87,588
Work - in - Progress	2,52,92,625	76,92,282
Finished Goods	2,13,80,615	3,22,87,949
Stock-in- trade	22,59,348	28,02,345
Consumables Stores	45,06,975	17,12,465
Scraps Stock	36,39,906	27,75,091
Loose tools	7,12,402	4,65,284
Total	8,38,13,807	6,78,23,004

NOTE 18 - TRADE RECEIVABLES

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
(Unsecured, considered good unless otherwise stated)		
1) Debts due for a period exceeding six months		
Considered Good	3,59,11,893	1,10,67,073
Considered Doubtful		
	3,59,11,893	1,10,67,073
2) Other Debts:		
Considered Good for a period less than six months	1,68,95,779	3,49,20,424
Considered Doubtful		
	1,68,95,779	3,49,20,424
Less: Provision for Doubtful Debts		
Total	5,28,07,672	4,59,87,497

NOTE 19 - CASH AND CASH EQUIVALENTS

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Balances with banks in -		
State Bank of India	4,102	4,102
LC Margin Deposit	25,25,796	23,67,044
Current Account	2,65,564	6,33,764
Earmarked balances	3,55,000	9,96,898
Cash on hand	2,28,332	2,66,095
Total	33,78,794	42,67,903

NOTE 20 - SHORT TERM LOANS AND ADVANCES

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Loans and Advances to related parties (giving details thereof)	-	1,55,000
Less: Provision for Doubtful advances	-	1,55,000

Advance to Suppliers of capital goods	14,007	2,55,154
Advance to Suppliers of services	35,01,574	31,14,207
PLA Deposits	4,80,236	4,80,236
Prepaid expenses	2,795	1,403
Balances with Central Excise, Customs, Port trust, etc.	1,12,69,647	1,02,11,844
VAT Receivable	8,42,566	42,60,781
Advances Recoverable in cash or kind or value to be received	1,55,000	
Total	1,62,65,825	1,84,78,625

Advance to Suppliers and services are given in the normal course of business operation.

NOTE 21 - OTHER CURRENT ASSETS

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Other current assets	7,45,196	
Staff Advance	9,46,040	4,34,715
Advance tax and TDS	15,07,828	11,59,820
Land Advance	-	34,57,782
Total	31,99,064	50,52,317

NOTE 22 - REVENUE FROM OPERATIONS

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Revenue from		
Products	7,89,33,274	10,68,42,615
Services	35,86,117	20,59,520
Add: Excise duty	43,80,315	44,01,000
Other operating revenues	1,25,17,797	71,51,712
	9,94,17,503	12,04,54,846
Less: Excise duty	43,80,315	44,01,000
Less: Sales Return	7,85,376	7,35,739
Total	9,42,51,812	11,53,18,107

NOTE 22a - EARNINGS IN FOREIGN EXCHANGE

Particulars	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
FOB Value of exports	1,15,20,600	1,50,70,300
Total	1,15,20,600	1,50,70,300

NOTE 23 - OTHER INCOME

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Interest income	4,772	1,17,006
Interest on Fixed Deposit-LC Margin	15,14,991	4,45,519
Interest on Security Deposit Bescom	1,36,447	1,34,063
Other income	-	58,000
Net gain on foreign currency transaction and translation	29,33,206	3,26,997
Sundry provisions and credit balances no longer required written back	7,78,036	
Total	53,67,452	10,81,585

NOTE 24 - CONSUMPTION OF RAW MATERIALS

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Opening Stock	25,040,428	22,750,935
Purchases	36,614,165	49,089,431
Less:- Closing Stock	34,881,219	26,893,428
Total	26,773,374	44,946,938

NOTE 25 - (INCREASE) / DECREASE STOCKS OF FINISHED GOODS AND WORK - IN - PROGRESS

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Opening stock		
Work - in - progress	1,72,56,747	2,83,95,484
Stock Customers Site	28,02,345	8,65,844
Finished goods	2,28,23,484	1,13,11,387
	4,28,82,576	4,05,72,715

Closing stock		
Work - in - progress	93,22,250	76,92,282
Stock Customers Site	1,82,29,723	28,02,345
Finished goods	2,13,80,615	3,22,87,949
	4,89,32,588	4,27,82,576
Total	(60,50,012)	(22,09,861)

NOTE 26 - MANUFACTURING EXPENSES

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Software Development Expenses	72,33,300	1,11,694
Security charges	12,60,456	11,24,140
Generator mantainance	47,819	71,966
office mantainance	2,686	
other manufacturing expenses	1,00,89,185	86,96,244
Carriage Inward	-	4,42,661
Power & Fuel	46,04,866	52,15,382
Technical Consultancy	1,80,139	1,06,529
Insurance	1,73,079	5,92,488
Professional & Retainer Fees	11,40,667	1,16,200
labour Charges	62,14,242	1,20,14,009
<i>Rent</i>	26,44,798	28,57,000
Repair & Maintatinance-P&M	-	3,90,670
Repair & Maintatinance-Others	-	1,62,237
Repair & Maintatinance-Buildings	-	36,390
<i>Water Charges</i>	-	1,16,164
Office Maintatinance	2,55,152	1,220
Tools	2,54,288	3,70,995
Total	3,41,00,677	3,24,25,989

NOTE 27 EMPLOYEE BENEFIT EXPENSE

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Salaries Production	65,26,240	56,24,860
Salaries & Wages.Staff Welfare & Aminities	3,18,677	56,770
Canteen conveyance allowance	-	4,96,317
Labour Charges Vendors	7,39,724	17,37,370
Factory Wages	10,19,440	
Staff welfare expenses	5,89,696	3,76,459
Total	91,93,777	82,91,776

NOTE 28 - FINANCE COSTS

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Bank charges	7,64,633	4,25,355
Interest on Working capital	65,48,542	33,61,491
Interest on term loan		55,19,890
Interest on Vehicle loans	63,92,653	46,282
Bank charges on Bank Guarantee		73,225
Other Interest	2,90,247	22,192
Total	1,39,96,075	94,48,435

NOTE 29 - OTHER EXPENSES

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
<u>A. ADMINISTRATIVE EXPENSES:</u>		
Auditor's fees	4,37,302	4,33,800
Books and Periodicals		14,625
Conveyance Expenditure	1,15,102	2,89,138
Computer Maintanence	2,300	
Directors remuneration	9,00,000	9,33,760
Donation & Charity	42,500	72,100
Entertainment exp	-	12,540
Filling Fees	120	
Electricity & Water Charges	1,01,702	65,208
Loss on sale of Vehicle -Jeepsi	56,480	
Insurance-Stocks	55,268	64,725
Insurance Vehicles	12,120	20,130
Insurance Plant & Machinery	1,75,762	
Interest on Others	1,00,682	12,444

Inspection charges	31,826	8,500
ISO Audit expenses	21,698	
Lab & Testing Charges	33,191	894
Legal and Professional Charges	85,721	50,500
Miscellaneous Exp	2,34,186	64,134
Membership Seminar Fees	19,308	47,250
General expenses		17,055
Office Maintenance	62,688	58,999
Other services	11,65,652	18,000
Pooja Expenses	2,19,279	1,55,282
Postage, Courier & Telegram	56,746	1,43,822
Printing & Stationery	2,42,339	3,20,769
Rent	4,80,000	4,80,000
Rates & Taxes	2,30,260	11,16,262
Repairs and Maintenance-Vehicle	68,946	2,07,357
-Building	200	4,550
-Plant & Machinery	43,665	13,713
- Others	65,398	1,03,392
Security Charges A/c	3,75,550	2,10,835
Share Transfer Fees	2,05,675	1,95,000
Surveillance Audit	21,000	55,567
ISO certificate		14,926
Training Expenses	99,668	
Testing charges	26,714	38,739
Garden maintainance	5,030	
Vehicle Mainatenance	9,038	98,821
AGM/EGM Expenses	16,429	1,23,028
Telephone Charges	1,63,997	5,11,777
Establishment Salary Administration	3,56,167	6,21,595
Advertisement	7,851	4,781
Business Promotion Expenses / Advertisement Expenses	2,22,454	75,669
Commission	-	8,500
Carriage Outwards	4,22,160	8,99,768
Boarding & Lodging	10,668	58,612
Freight/coolie & cartage	-	12,615
Club Membership fees	2,830	
Discount Allowed	19,942	36,891
Packing & Forwarding charges	3,399	37,657
Other services	-	98,558
Travelling Expenses - Others	1,48,720	1,47,916

Vehicle Maintenance - Marketing	2,56,510	
Sundry Debtors Written off	9,40,741	
Web Hosting Charges	94,067	11,400
New Product Development	6,29,949	11,57,809
Total	90,98,999	91,49,413

Product development expenses: The expenses incurred with respect to product development is written off over a period of five years.

Note No 29a: Prior Period Items

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Bonus paid		1,56,842
Other expenses		34,504
Interest on TDS/others		34,444
Secretarial compliance fees	5,515	
Interest income		(3,85,868)
EPF Recovered		(2,45,562)
Amount paid to pollution control board	1,15,000	
Reversal of Advances	(64,334)	(24,841)
Reversal of purchases/sales	(9,01,070)	63,832
Bank Interest and other taxes	12,25,597	3,90,972
Excess provision of FBT written off	2,15,200	

Note No 30: Extra ordinary items

There was a case pending regarding 13 employees who were transferred from Class technology Ltd during 2005. Past employees and company made a settlement in the court for which company had paid Rs. 1837823. Instead of treating this as goodwill on take over of Class technology venture ltd the management has decided to write off as extraordinary items in the profit and loss account. Since these 13 employees were in the employment with Class technology venture ltd the management is of the opinion that they cannot treat it as gratuity liability as that of the financial year 2011-12.

Note No 31 : Goodwill/ Capital Reserve on Consolidation

	Goodwill / (Capital Reserve) Rs.
Intertec Forge Pvt Ltd (Formerly Known as De Two Forging Pvt. Ltd.)	4,51,000
Cimotec Hydro Machines Pvt LTd	(3,21,722)
Intertec America Inc USA	11,56,340
	12,85,618



INTERTEC TECHNOLOGIES LIMITED

Registered Office: No.28, Shankar Mutt Road, Bangalore – 560 004

ATTENDANCE SLIP

Twenty Third Annual General Meeting – September 28th 2012

PLEASE FILL ATTENDENCE SLIP AND HAND IT OVER AT THE ENTARNCE OF THE MEETING HALL.

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

DP ID (†)	
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Master Folio No.	
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Client ID(†)	
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No. of Shares	
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NAME AND ADDRESS OF THE SHAREHOLDER :

I hereby record my presence at the Twenty Third Annual General Meeting of the Company at Manandi Samskriti Sadana, #317, 9th Main, Opp 42nd Cross, 5th Block, Jayanagar, Bangalore -41, at 10.00 AM on Friday, September 28th 2012.

Member's / Proxy's name in BLOCK Letters

Signature of Member / Proxy

Note: Members are requested to bring their copies of the AGM Notice to the meeting.

† : Applicable for investors holding shares in electronic form



INTERTEC TECHNOLOGIES LIMITED

Registered Office: No.28, Shankar Mutt Road, Bangalore – 560 004

PROXY FORM

DP ID (†)	
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Master Folio No.	
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Client ID(†)	
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I/We -----

Of ----- being Member/s of Intertec Technologies Limited hereby appoint ----- or failing him ----- of -----

----- as my/our proxy to vote for me / us on my / our behalf at the Annual General Meeting of the Company to be held at 10.00 AM on Friday 28th September 2012 at Manandi Samskriti Sadana, #317, 9th Main, Opp 42nd Cross, 5th Block, Jayanagar, Bangalore -41,, and at any adjournment thereof.

Signed this -----day of -----2012.

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

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