Contents

22nd ANNUAL GENERAL MEETING

on Friday, the 28th day of September, 2012 at 3.00 P.M at Surana Udyog Auditorium,
FAPCCI House, Red Hills, Lakdi Ka Pul,
Hyderabad – 500 004.

Board of Directors

Chairman & Managing Director	:	C.K.Shastri
Whole time Director	:	Jayant Dwarkanath
Director	:	Tikam Sujan
Director	:	P. Anil Kumar
Director	:	V. Sarada Devi
Director	:	P. Pavan Kumar
Director	:	K. S. Shanker Rao
Director	:	V.S. Mallick
Company Secretary & Compliance Officer	:	K. Tejaswi
e-mail ID	:	tejaswi@intense.in
Auditors	:	Srinivas P & Associates Chartered Accountants 301, Madhava Apts. Hill Colony, Khairatabad, Hyderabad – 500 004
Bankers	:	State Bank of Hyderabad HDFC Bank Ltd.
Registered Office	:	A 1, Vikrampuri, Secunderabad – 500 009 Tel No. 44558585 / 27849019 Fax: 27819040
Registrar & Share Transfer Agents	:	Karvy Computershare Private Ltd. Plot No. 17/24, Next to Image Hospitals, Vittalrao Nagar, Madhapur, Hyderabad – 500 081

NOTICE

NOTICE is hereby given that the Twenty Second Annual General Meeting of the Members of Intense Technologies Limited will be held on Friday, the 28th September 2012 at 3.00 P.M at Surana Udyog Auditorium, FAPCCI House, Red Hills, Lakdi Ka Pul, Hyderabad –500 004, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2012, the statement of Profit & Loss for the year ended on that date together with the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. P.Anil Kumar, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Tikam Sujan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s. Srinivas P. & Associates, the retiring Auditors are eligible for re-appointment.

SPECIAL BUSINESS:

5. Re-appointment with revision of remuneration payable to Mr. C.K.Shastri, Managing Director

*To consider and if thought fit, to pass with or without modification(s), the following resolutions as a **Special resolution :***

"**RESOLVED THAT** in super cession of the resolution passed by the members in the Twentieth Annual General Meeting held on 30th September, 2010 and in pursuance of the provisions of Sections 198, 269, 309,310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Act and subject to such consents including that of approval of the Central Government if need be , the consent of the members is hereby accorded for the re-appointment and revision of remuneration of Mr. C. K .Shastri, as Managing Director of the Company for a period of 3 years with effect from 1st October , 2012 to 30th September, 2015 on the terms and conditions or remuneration as set out in the Explanatory Statement annexed to the notice convening the meeting with liberty to the Board of Directors (including its committee) to alter or vary the terms and conditions of the said appointment and /or to revise, increase, enhance or widen the scope of remuneration and perquisites, to the extent specified in Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956.

"RESOLVED FURTHER THAT subject to the such approvals including that of Central government if, in the event of loss or inadequacy of profits, in any financial year during the currency of tenure of service, the above said remuneration be paid as minimum remuneration in accordance with the Schedule XIII to the Companies Act, 1956."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

6. Re-appointment with revision of remuneration payable to Mr. Jayant Dwarkanath, Whole time Director

To consider and if thought fit, to pass with or without modification(s), the following resolutions as a **Special resolution :**

"**RESOLVED THAT** in super cession of the resolution passed by the members in the Twentieth Annual

General Meeting held on 30th September, 2010 and in pursuance of the provisions of Sections 198, 269, 309,310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Act and subject to such consents including that of approval of the Central Government if need be , the consent of the members is hereby accorded for the re-appointment and revision of remuneration of Mr. Jayanth Dwarakanth, as Whole Time Managing Director of the Company for a period of 3 years with effect from 1st October , 2012 to 30th September, 2015 on the terms and conditions or remuneration as set out in the Explanatory Statement annexed to the notice convening the meeting with liberty to the Board of Directors (including its committee) to alter or vary the terms and conditions of the said appointment and /or to revise, increase, enhance or widen the scope of remuneration and perquisites, to the extent specified in Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956.

“RESOLVED FURTHER THAT subject to the such approvals including that of Central government if , in the event of loss or inadequacy of profits, in any financial year during the currency of tenure of service, the above said remuneration be paid as minimum remuneration in accordance with the Schedule XIII to the Companies Act, 1956.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

For and on behalf of the Board

C.K.Shastri
Chairman & Managing Director

Place: Secunderabad
Date: 31st August 2012

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAT 48 HOURS BEFORE THE MEETING.

2. The Register of Members and Share Transfer Books of the Company shall remain closed on the 28th day of September 2012.

3. The Explanatory statement in respect of item no. 5 & 6 is annexed hereto.

4. Members holding shares in physical form are requested to inform any change in their address/mandate/e-mail address to the Company’s Registrars and Transfer Agents, Karvy Computershare Private Ltd. at Plot No. 17/24, next to Image Hospitals, Vittalrao Nagar, Madhapur, Hyderabad – 500081. Members holding shares in electronic form must submit the information about change in address to their respective Depository Participant.

Additional Information about the Directors’ being appointed / re-appointed in accordance with the provisions of Corporate Governance:

P. Anil Kumar – Director

P. Anil Kumar graduated in Commerce in the year 1984 from the Andhra University and started his career in Income Tax Department and served as Income Tax Officer for 14 years. He took Voluntary Retirement from the Income Tax Department after serving for 20 years in the year 2007. He holds 1,55,300 shares (0.81%) in the Company. He is also a Director in eJAS Tech Solutions Private Limited and holds 3,333 shares therein.

Tikam Sujan – Director

He is a successful NRI businessman based at Miami, Florida, USA, having 30 years of experience in operating in the American geography. He has 18,54,283 shares (9.69%) in the Company.

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956

The following Explanatory Statement, pursuant to section 173 of the Companies Act, 1956, sets out all material facts relating to the business mentioned in the accompanying Notice dated 31st August, 2012.

Item Nos. 5 & 6:

At the Annual General meeting of the Company held on 30th September, 2009 , the Members had approved for the change in the terms and conditions of appointment of Mr. C.K. Shastri as the Managing Director and Mr. Jayant Dwarakanath as the Whole-Time Director of the Company for the tenure from 1st July 2010 to 30th June, 2013 with a salary of up to a maximum of ₹ 2,50,000/- per month (with an authority to the Board or a Committee thereof to fix the salary within the said maximum amount from time to time), together with such commission, perquisites and allowances as specified in the Explanatory statement annexed to the Notice of the Annual General meeting.

On recommendation of the Remuneration committee , The Board of Directors in their meeting held on 31st August,2012 subject to the approval of the members and the Central Government approved the reappointment and revision of remuneration to Mr. C.K. Shastri as Managing Director and Mr. Jayant Dwarkanath as the Whole-Time Director of the Company effective from 1st October, 2012 as detailed below.

I. GENERAL INFORMATION:

1	Nature of Industry	Information Technology / Software Product Development.			
2	Date of commencement of commercial production	Existing company having its software development operations since 1999.			
3	Financial Performance				(₹ in lakhs)
			2009-10	2010-11	2011-12
		Gross Revenue	1135.00	1554.33	2163.08
		Total Expenditure	1815.96	1881.94	1891.64
		Financial Expenses	4.43	3.28	2.26
		Operating Profit/(Loss)	(685.39)	(330.89)	269.18
					(₹ in lakhs)
			2009-10	2010-11	2011-12
4	Export Performance	FOB value of exports	46.39	195.13	1016.94

II. INFORMATION ABOUT THE APPOINTEE:

Name of the Director	Mr. C.K.Shastri	Mr. Jayant Dwarkanath
Date of Birth	December 31, 1958	September 6, 1964
Date of appointment	1st July, 2010	1st July, 2010
Experience	31 years of Business Experience including 13 years in I.T. Industry	25 years of Experience in Banking and I.T. Industry
Qualifications	B.Com & P.G. Diploma in Marketing	B.E and M.B.A
Past Remuneration	₹ 2.50 lakhs per month	₹ 2.50 lakhs per month
Job Profile	He is the main Promoter, Chairman and Managing Director of the Company and has been instrumental in building the Company.	He is the Whole-Time Director of the Company looking after the international business operations of the Company and has been instrumental in marketing tie-ups with global majors.

Terms and conditions:

Re Appointment : Mr. C.K. Shastri, as Managing Director and Mr. Jayant Dwarkanath ,as Whole time director

Period: 3 years from 1st October, 2012 to 30th September, 2015

Remuneration to each of them :

Salary of ₹ 4.00 lakhs per month
Perquisites and Allowances ₹.1.00 lakh per month

Additionally, In the event of adequate profits of the company , they will also be entitled to commission not exceeding the limits specified in the Section 198 read with schedule XIII and other applicable provisions.

The perquisites and allowances payable to aforesaid Managing Director and Whole time director shall include accommodation or house rent allowance in lieu there of ,house maintenance allowance, medical allowance/reimbursement of leave travel concession for self and family, club fee,accident/medical insurance, encashment of leave and such other perquisites and /or allowances upto ₹1.00 lakh per monthand in addition they shall be eligible for reimbursement of actual expenses incurred towards utilization of gas, electricity ,water and repairs subject to the over all limit of section 198 and 309 of the Companies Act,1956. Provision of Car with chauffeur for the purpose of company's business and the telephone as per the rules of the company would not be considered as perquisites.

Justification :

Presently remuneration in Information Technology / Software Products Company are attracting very high remuneration package as compared to other industries. Further the compensation package approved for the Chairman and Managing Director and the Whole-Time Director of the Company are much lower as compared to remuneration paid in similar industry. Even it is comparatively lower than what is being paid to senior employees in similarly situated companies. In view of the contribution and time devoted by them it is essential that they be remunerated suitably.

III. OTHER INFORMATION:

1. Profitability:

The company is a software products company with lengthy product development and sales cycle. In the initial period of a product development and sales cycle, it is necessary to build a reference base with a few select customers to ensure that the products are robust and can be benchmarked against competition through a continuous feature and performance enhancement. This phase is also characterized by long lead times and low realizations. Intense has overcome this phase and has been profitable during the financial year 2011-12.

2. Steps taken or proposed to be taken for improvement and consolidation :

The Company is under the process of continuously upgrading its existing products in line with the market requirements.

The Company has established a strong reference base of customers both in the domestic and international markets for its key products. The products have also been upgraded regularly to benchmark them against the best in the world. The company is now confident of investing more resources in marketing its flagship product UniServe and other products like UniCap and UniDoc in the global markets. The sales cycles are expected to be shorter and the per unit realizations from licensing of products is expected to increase substantially over the coming years.

3. Expected increase in productivity and profits:

With the process of continuous upgrading of the existing products in the market, the productivity, sales revenue and the profitability is expected to increase in the coming years.

Since these are forward looking statements, investors are advised to refer risk factors mentioned in the Annual Report.

IV. DISCLOSURES:

The shareholders of the company shall be informed of the remuneration package to the Managing Personnel in the Annual Report of the Company.

The documents referred to in this Notice/ Explanatory Statement will be open for inspection by members at the Company’s Registered Office between 11.00 a.m. and 1.00 p.m. on any working day of the Company, (Monday to Friday), upto the day previous to the date of the Annual General Meeting.

The Board commends acceptance of the resolution(s) set out in Item No 5 & 6 of the convening Notice. None of the Directors other than Mr. C.K. Shastri and Mr. Jayant Dwarkanath are in any way concerned or interested in the resolutions.

For and on behalf of the Board

Place: Secunderabad
Date: 31st August 2012

C.K.Shastri
Chairman & Managing Director

Directors' Report to the Shareholders

Your Directors' have pleasure in presenting the Twenty Second Annual Report on the Business and Operations of the Company and the Audited Statement of Accounts for the year ended 31st March 2012.

Financial Highlights

(₹ in Lakhs)

	Current Year 2011-2012	Previous Year 2010-2011
Gross Revenue	2163.08	1554.33
Total Expenditure	1891.64	1881.94
Financial Expenses	2.26	3.28
Operating Profit/(Loss)	269.18	(330.89)

Review of Operations:

During the year your Company registered gross income of ₹.2163.08 lakhs (previous year ₹1554.33 lakhs). The company recorded an operating profit of ₹ 269.18 lakhs as against an operating loss of ₹ 330.89 lakhs in the previous year.

We launched our new solution **UniCap®,** last year. This solution automates the **'KYC'** processes that enterprises have to follow before they on-board any new customer. Since countries across the African continent have similar KYC norms, we decided early last year to explore opportunities in Africa with this solution. That effort has started to pay off and we have been contracted by a large global telecom company to implement **UniCap®** across all their properties in Africa. We have also started intense business development activity with other telecom & banking companies in Africa and are in the process of building a healthy sales pipeline.

The last year also saw us implement our new Self-Care solution - **UniServe Enterprise Bill Analytics®** for the first time with a large telecom operator in the Middle East. This new solution offers a variety of Self-Care functionality to both business users and their end customers. With a lot of commerce and end-customer interactions migrating to the Web medium, we hope to see a lot of sales traction for **UniServe Enterprise Bill Analytics®** in the forthcoming period.

With the use of smart-phones becoming all pervasive the role of **Digital & Mobile Marketing** is gaining in currency. We have just launched **UniServe Digit 5®,** our Digital Marketing & Campaign Management solution that will enable enterprises to profile their current customer base and launch targeted campaigns either to cross-sell their own offering or make surrogate offers with third-party advertisers and brands.

The Company has top Indian enterprises as its customers today and enjoys healthy partnerships with global Systems Integrators. Leveraging our existing customers along with partnerships should yield better revenues in the future.

The Company's flagship solution **UniServe™** was a finalist, once again, for IBM's **Beacon Awards**, the prestigious global contest amongst technology companies. The year also saw NASSCOM, selecting the Company as an **Emerge 50** entity amongst all young companies in India.

Sales, Marketing and Distribution:

Partnerships and alliances is our chosen way to penetrate markets and reach customers. Our products are ready to be hosted on cloud and we have entered into partnerships with leading system integrators to host our products on their cloud platform. Having stated thus, we are also investing in direct sales resources in all the markets that we wish to be in to demonstrate our commitment toward that region. The Company has also initiated steps to engage partners in Middle East, Africa and the US. On the product front, we will shortly launch a single framework for all our products to reduce time for deployment and enable greater flexibility to customers.

The Company will participate in relevant events and conferences to strengthen the brand name in India and overseas. The Company's brand building efforts will cover Social Media Marketing as a big initiative. The Company believes that these initiatives will contribute to higher revenues, and assist in attracting and retaining good talent.

Future outlook:

Today the Company enjoys good customer reference base, which can be leveraged to replicate the domestic success across the globe. The focus would be on business development efforts in the Middle East, Africa and the USA. The Company expects increased traction for its products from enterprises of all sizes and scales. The hosted model, flexible pricing should improve the affordability and help enterprises gradually scale their operations with our products and support.

The Company is consciously working on enabling all its solutions for the Cloud. All leading system integrators are seeking to host our products on their cloud platforms, and these should additionally augment our sales pipeline and reflects a promising and robust growth.

Dividend:

The Company could not recommend any dividend for the year under review.

Utilization of Proceeds of Funds raised:

In terms of Clause 41 of the Listing Agreement with the Stock Exchanges where the shares of the company are listed, the details of utilization of proceeds of funds raised during the years 2007-08 & 2009- 2010 by issue of shares to QIB's and on preferential basis to specified persons / entities are as follows:

(₹ in lakhs)

	2011-12	**2010-11**
Opening Balance	989.78	1471.43
Funds raised	-	45.00
Total - A	**989.78**	**1516.43**
Less: Funds utilized		
Capital Expenditure	-	-
Revenue Expenditure	569.01	526.65
Total Utilized Total - B	**569.01**	**526.65**
Unutilized (Bank Deposits)	**420.77**	**989.78**

Directors:

P.Anil Kumar and Tikam Sujan, Directors of the company, retire by rotation in the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Deposits:

The Company has not accepted any public deposits during the year under review.

Insurance & Risk Management:

All the properties of your Company have been adequately insured. The Company from time to time has been conducting exercises on Risk Management and minimization procedures. This has been need based and being done by internal Management.

Internal Audit/ Internal Control Systems and their adequacy:

The internal controls of the Company are operated through an exhaustive system of internal checks and balances involving interdependencies of job responsibilities, which ensure that there are joint discussions and approvals before any financial commitments are made. The Company also has an outside internal audit system commensurate with its size and nature of its business.

Auditors:

Srinivas P. & Associates, Chartered Accountants, Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility and willingness to accept office, if reappointed.

Energy, Technology and Foreign Exchange:

Additional information in terms of Section 217 (1) (e) of the Companies Act, 1956, is annexed hereto (Annexure-I).

Particulars of Employees:

There were no employees who were in receipt of remuneration in excess of limits specified in Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

Employees Stock Option Plan:

As required by Clause 12 of SEBI (Employee Stock Options Scheme and Employees Stock Purchase Scheme) Guidelines 1999, the disclosures of the Employees Stock Option Plan 2005, Stock Option Plan A 2007, Stock Option Plan B 2007, Stock Option Plan A 2009 and Stock Option Plan B 2009 which are in force are given in Annexure - II

Management Discussion & Analysis:

Pursuant to the provisions of Clause 49 of the Listing Agreement with Stock Exchanges, a report on Management Discussion & Analysis is set out as Annexure- III to this report.

Directors Responsibility Statement:

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm the following that:

(i) In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.

(ii) 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 at the end of the financial year and of the profit or loss of your company for that period.

(iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

(iv). The Directors have prepared the annual accounts on a going concern basis.

Corporate Governance:

A report on Corporate Governance including Auditors' Certificate thereon as per Clause 49 of the Listing Agreement is enclosed and forms part of this Annual Report.

Stock Exchange Listing:

The Equity Shares of the Company are listed on Bombay Stock Exchange Limited and the Company confirms that it has paid Annual Listing Fees due to the Stock Exchange for the year 2011-12. The shares of the Company got delisted from The Calcutta Stock Exchange Limited w.e.f 8th February, 2012.

Acknowledgments:

Your Directors' convey their sincere thanks to State Bank of Hyderabad, HDFC Bank Ltd, and shareholders for their continued support. Your Directors' place on record, appreciation of the contribution made by the employees at all levels and looks forward to their continued support.

For and on behalf of the Board

C.K.Shastri
Chairman & Managing Director

Place: Secunderabad
Date: 31st August 2012

ANNEXURE - I TO THE DIRECTORS' REPORT:

Disclosure of particulars in respect of Conservation of Energy, Technology, Absorption and Foreign Exchange Earnings and Outgo required under Companies (Disclosure of particulars in the Directors' Report) Rules 1988.

A. Conservation of Energy:

The operations of the company are not energy intensive. However the company endeavors to conserve energy consumption wherever possible.

B. Technology Absorption (R & D, Adaptation and Innovation):

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:

i) Continuous research to upgrade existing products and to develop new products and services.
ii) To enhance its capability and customer service the company continues to carry out R & D activities in house.

2. Benefits derived as a result of the above efforts:

i) Introduction of new and qualitative products.
ii) Up gradation of existing products.

3. Future plan of action:

Intense will continue to invest in and adopt the best processes and methodologies suited to its line of business and long-term strategy. Training employees in the latest appropriate technologies will remain a focus area. The Company will continue to leverage new technologies and also on the expertise available.

C. Foreign Exchange Earnings & Outgo:

The details of Foreign Exchange earnings and outgo are given below: **(₹ in lakhs)**

	2011-12	2010-11
1. Foreign Exchange Earnings		
FOB Value of Goods exported	1016.94	195.13
2. Foreign Exchange Outgo		
1) Hardware/Software	-	-
2) Travelling	23.69	10.12
3) Other expenditure incurred	11.41	28.64
4) Transferred to Singapore Branch	23.40	57.64

For and on behalf of the Board

C.K.Shastri
Chairman & Managing Director

Place: Secunderabad
Date: 31st August 2012

ANNEXURE - II TO THE DIRECTORS' REPORT:

Disclosures pursuant to Para 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999.

During the year under report the following Employees Stock Option Plans are in operation for issue and grant of stock options to its employees and Directors in accordance with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999:

1. Fortune Employees Stock Option Plan 2005;
2. Intense Employees Stock Option Plan – A 2007;
3. Intense Employees Stock Option Plan – B 2007;
4. Intense Employee Stock Option Plan Scheme – A 2009 and
5. Intense Employee Stock Option Plan Scheme – B 2009

The requisite disclosures of particulars with respect to these schemes during the year 2011-12 are as under:

1. Fortune Employees Stock Option Plan 2005:

Particulars	As on 01.04.2011	2011-12	As on 31.03.2012
Grant Price (₹)	10.00	10.00	10.00
Exercise Price (₹.)	10.00	10.00	10.00
No. of Options Granted	15,56,000	7,40,200	22,96,200
No. of Options Exercised	7,03,800	-	7,03,800
No. of Options Lapsed	14,59,000	3,20,300	17,79,350
No. of Options Outstanding (in force)	2,58,000	19,75,850	19,75,850

a. Total Number of shares arising as a result of exercise: 7,03,800
b. Maximum number of options approved by the shareholders 30,00,000
c. Pricing Formula: Exercise price for the options granted under this plan is ₹ 10/- per share
d. Vesting schedule

i) Upon completion of 1 year from the date of grant, 25% of the total options granted shall vest and become vested options.

ii) Upon completion of 2 years from the date of grant, 25% of the total options granted shall vest and become vested options.

iii) Upon completion of 3 years from the date of grant, 25% of the total options granted shall vest and become vested options.

iv) Upon completion of 4 years from the date of grant, the balance 25% of the total options granted shall vest and become vested options.

e. As per the plan, options lapsed i.e. unexercised options on account of resignation etc., shall become available for future grants under the existing plan.

f. Number of options available to be granted: 3,20,350 ##

g. Variations in terms of Option: NIL

h. Number of options vested during the year: 3,77,688.

i. Number of options granted during the year: 7,40,200
j. No options were exercised during the year.
Note: Out of 22,96,200 options, 19,75,850 options are still in force.
##

Particulars	Number of options
Total number of options approved by shareholders	30,00,000
Less: Total options exercised upto 31.03.2012	7,03,800
Total options granted upto 31.03.2011	22,96,200
Number of options lapsed and available for reissue	3,20,350
Total No. of options outstanding (in force)	19,75,850

2. Intense Employees Stock Option Plan A 2007:

a. Maximum Number of options approved by the shareholders - 5,00,000

b. Pricing Formula: Exercise price for the options to be granted under this plan is the price determined by the Board in accordance with SEBI guidelines i.e. Price prevailing on the date of the grant.

c. Vesting schedule is the same as that of Fortune ESOP-2005 mentioned in 1(c) above.

d. As per the plan, options lapsed i.e. unexercised options on account of resignation etc., shall become available for future grants under the existing plan.

e. Variations in terms of Option - NIL

f. Number of options available to be granted: 5,00,000

3. Intense Employees Stock Option Plan B 2007:

Particulars	As on 01.04.2011	2011-12	As on 31.03.2012
Date of Grant	11.12.2007	-	-
Grant Price (₹)	84.65	-	84.65
Closing Market Price on Grant Date (₹)	84.65	-	84.65
Exercise Price (₹)	84.65	-	84.65
No. of Options Granted	8,00,000	-	8,00,000
No. of Options Exercised	Nil	-	Nil
No. of Options Vested	6,00,000	2,00,000	8,00,000
No. of Options Lapsed	-	-	-
No. of Options Outstanding (in force)	8,00,000	-	8,00,000

a. Maximum Number of options approved by the shareholders - 8,00,000
b. Pricing Formula: Exercise price for the options to be granted under this plan is the price determined by the Board in accordance with SEBI guidelines i.e. ₹ 84.65 per share (latest closing price on 10.12.2007 at B.S.E).
c. Vesting schedule is the same as that of Fortune ESOP-2005 mentioned on 1(c) above.
d. As per the plan, options lapsed i.e. unexercised options on account of resignation etc., shall not become available for future grants under the existing plan.

e. Number of options available to be granted - Nil

f. Variations in terms of Option - NIL

g. Employee wise details of options granted to:

- Number of employees holding 5% or more of the total number of options granted during the year: NIL
- Identified employees who were granted options, during one year, equal to or exceeding 1% of issued capital:

Name	No. of options granted
Mr Jayant Dwarkanath	8,00,000

4. Intense Employee Stock Option Plan Scheme A 2009 -

a. Maximum Number of options approved by the shareholders 20,00,000

b. Pricing Formula: Exercise price for the options granted under this plan is ₹ 10/- per share

c. Vesting schedule is the same as that of Fortune ESOP-2005 mentioned in 1(c) above.

d. As per the plan, options lapsed i.e. unexercised options on account of resignation etc., shall become available for future grants under the existing plan.

e. Number of options available to be granted : 20,00,000

f. Variations in terms of Option - NIL

g. During the year 2011-12 no options were granted under the Intense Employee Stock Option Plan Scheme A 2009.

5. Intense Employee Stock Option Plan Scheme B 2009 -

a. The plan covers 8,00,000 options to Mr. Jayant Dwarkanath, Whole Time Director of the Company eligible in accordance with SEBI Guidelines.

b. Maximum Number of options approved by the shareholders and granted to Mr.Jayant Dwarkanath: 8,00,000

c. Pricing Formula: Exercise price for the options granted under this plan is ₹ 10/- per share

d. Vesting schedule is the same as that of Fortune ESOP-2005 mentioned on 1(c) above.

e. As per the plan, options lapsed i.e. unexercised options on account of resignation etc., shall not become available for future grants under the existing plan.

f. Variations in terms of Option - NIL

g. Date of grant : 12th February 2011.

For and on behalf of the Board

Place: Secunderabad
Date: 31st August 2012

C.K.Shastri
Chairman & Managing Director

ANNEXURE – III TO THE DIRECTORS' REPORT:

MANAGEMENT DISCUSSION AND ANALYSIS

1.Industry Structure

Across all industry verticals - Telecom Banking or Insurance - in an increasingly commoditized and competitive landscape, enterprises are now forced to, more than ever before, differentiate their value proposition through innovative service delivery strategies. With the dizzying rate of new customer acquisition, of the past decade, showing signs of hitting a plateau, managing customer loyalty has become even more pronounced. With customer communication artifacts like Bills, Statements and Policy documents becoming the only periodic 'touch-points' that organizations have with their customers, leveraging this space is now being looked at with far more keenness and the Customer Communications Management space (or document output management) has now emerged as a competence that can ensure increased customer loyalty & employee productivity.

In the past enterprise software products catering to customer communications, output management, EBPP and Self-care domains were afforded only by large enterprises, but with the growing appetite for consuming services from the Cloud, the opportunity to serve the burgeoning small and medium enterprises category opens new market opportunities for us.

Among the geographies that have a potential appetite to consume our offering, Africa and North America represent two opposite ends of our opportunity spectrum. While the last year saw us gaining foothold in North and Central Africa, in the current year we will invest substantially in business development activities both in Middle East / Africa and the USA.

2. Enablers of profitability and productivity

Trends predict the dominance of 'Big Data'; Business Analytics; Cloud Computing, Social Media and Mobility devices in the technology expenditure landscape over the next decade. The economic downturn has compelled businesses to review their IT infrastructure purchased over the last decade and ready themselves for the requirements of the forthcoming decade. While buying decisions will be guided by the business outcomes that will accrue, productivity increments and not necessarily 'cost-cutting' will be the underlying theme of most expenditures. With the internet becoming the de facto medium for most business transactions, computing is moving into the front office the role of the Chief Marketing Officer as a big influence over any enterprise buying decision is gaining prominence.
While a majority of organization effort in the past decade was invested in growing the customer base, the forthcoming period will see enterprises actively leverage, both technology and their existing customer base to gain a greater share of wallet from these customers. On the business front, enterprises are demanding solutions that can leverage the transactional customer facing documents like bills, statements, premium notices, invoices etc, and transform them into rich communication vehicles that promote new products, offers, services, etc. What was earlier a transactional process is today a business requirement that drives revenue and opens new opportunities that cater to customer satisfaction.

Intelligent solutions aimed at leveraging customer-facing documents, managing organizational knowledge and capitalize on customer analytics have come as great enablers of profitability and employee productivity.

3. Opportunities

New solutions for the Africa geography

The African region presents a major growth opportunity for a large number of global businesses and large investments are being made in the telephony and communications sector. Unlike in India, regulation in Africa mandates that new customers be provisioned only after the **‘KYC’** process has been completed. It then becomes imperative that telecom operators adopt technology aids that will help them on-board new customers more rapidly.

Our **KYC** solution - **UniCap® -** that has been successfully deployed across various telecom companies in India is already beginning to see customer traction. It is currently being implemented across the African continent with a large global telecom company with operations across Africa and South Asia and Europe. Substantial focus in the current fiscal will be toward acquiring more telecom customers for UniCap®.

Digital Marketing:

In absolute terms, India ranks very high on the number of mobile handsets being sold annually. Smart phones comprise a substantial portion of this statistic, especially in the urban centres – and, this number is only growing!

While, the growth of mobile-based apps and games can only be obvious, the widespread use of smart phones is also seeing the emergence of a new business model – **Digital & Mobile Marketing.** Advertisers are now waking up to the fact that a mobile device screen can be an effective medium for personalized offers and campaigns. The rapid pace at which internet based deal-a-day business models are being set up and the M&A activity amongst large media houses to acquire digital marketing assets, underscores the big role Digital & Mobile Marketing will play in the commerce of tomorrow.

We have already launched **UniServe Digit 5® -** a mobile marketing and campaign management technology platform that will enable enterprises to profile their current customer base and **Create-Launch-Measure-Renew** personalized campaigns either to cross-sell their own offering or make surrogate offers with third-party advertisers and brands.

B2C enterprises with a large number of customer relationships can now make targeted end-profile based offers of their own product / service or third-party offers (for a fee) to their valued relationships as a part of their customer loyalty program.

We have built a healthy pipeline for **UniServe Digit 5®** and are enthused with the field response to this new offering.

Green IT

Green IT as a competitive alternative is evolving in areas where it matters most – the business process. Enterprises have successfully debunked the argument that ecological costs and economic goals cannot meet each other. Transaction-intensive processes like customer communications are reaping the most of green IT and delivering the best of customer experiences.

Enterprises in the telecommunication, banking, insurance, government and utilities sectors where customer communications functions consume exorbitant amounts of cash in the form of paper and power, enterprises are disproving the myths associated with green IT.

CIOs of today are demanding solutions that can eliminate their dependency on multiple applications, usher in process unification, and help them evolve an integrated platform for all their customer-facing business processes. This helps optimize on paper, power, storage and printing resources, thus helping to reduce their carbon footprint. Intense's products have been strong movers of the Green IT practices.

4. Risks

The company's growth and operating performance may be affected by several risk factors. Some of the factors, which could affect the company's future results or operations, are outlined below.

Long sales cycle and unexpected and inordinate delays may adversely affect and create variation in quarterly operating results.

The purchase of the Company's products by its end-customers for implementation typically involves significant commitment of financial and other resources and handling of mission-critical data and processes. The sales cycle is therefore long and is subject to unexpected and inordinate delays. The Company has experienced, and continues to, long sales cycles and delays in the purchase process of its customers for reasons beyond its control.

Consequently, there may be significant variation in the quarterly operating results in the future and period-to-period comparisons may not indicate future performance.

Failure to respond to rapid technological changes may make the products obsolete and adversely affect the operating results of the Company.

The market for the Company's products is characterized by rapid technological changes, frequent new product introductions and product enhancements (by competitors) and changing customer demands. Any of these factors can render the Company's existing products obsolete and unmarketable. The Company's success in the future will depend significantly on its ability to upgrade its products to newer technologies and changing needs of its customers in a timely and cost-effective manner. Failure to do so may result in cancellation of orders making the Company's products unmarketable to new customers; hence resulting in loss of existing customers as they replace our products with those of our competitors. Any of these factors may adversely affect the operating results and financial condition of the Company.

If the Company is unable to manage the significant risks arising from international operations, the company's operating results and financial condition may be adversely affected.

With increasing focus on international operations, the Company will be exposed to several risks, which inter alia include the following:

- Economic and political instability, including war and terrorism or the threat of war and terrorism
- Difficulty of managing an organization spread across many countries
- Multiple and conflicting tax laws and regulations
- Difficulty in hiring employees and difficulties and high costs associated with terminating employees and restructuring operations in foreign countries
- Trade laws and business practices favoring local competition
- Compliance with multiple, conflicting and changing government laws and regulations

-Weaker intellectual property protection in foreign countries
- Import and export restrictions and tariffs
- The significant and stronger presence of some of our competitors in certain international markets
- Greater difficulty or delay in accounts receivable, collection etc.

If the Company is unable to successfully manage these risks, the Company's business may be harmed, which may adversely affect the operating results and financial condition of the Company.

Dependence on current and future business partners may not result in revenue growth and could adversely affect the operating results of the Company.

The Company is depending on its current partnerships with Systems Integrators and software vendors for increasing its revenues. The Company is also planning to expand its partnerships with other software vendors. These agreements are for fixed duration and may not be renewed. The agreements do not provide for any guarantee on revenue. Acquisition of the partners or change in their key management personnel may result in change of their focus areas. Moreover, these agreements can be terminated at short notice. If for any reason, the Company is unable to succeed in generating revenues through its current and future partnerships, the operating results of the Company may be adversely affected.

Future success depends upon the hiring and retaining key talent, many of whom would be difficult to replace and the loss of one or more of these employees could seriously harm the Company's business. The Company's future success depends upon the continued services of its executive officers and key technical, sales, marketing and support personnel, many of whom would be difficult to replace. The loss of one or more of these employees could seriously harm the Company's business. Additionally, because of the highly technical nature of its business, the loss of key technical personnel could delay product upgrades and significantly impair the Company's ability to successfully build future products.

The Company believes that its success depends, in large part, upon its ability to identify, attract and retain qualified software engineers and sales, marketing, finance and managerial personnel. There is competition to attract talented personnel and the Company may not be able to retain its key personnel or identify, or attract or retain other qualified personnel in the future. If the Company does not succeed in hiring and retaining employees with appropriate qualifications, its product development efforts, revenues and business could be seriously harmed.

Because of long product development process and sales cycle, the Company may incur substantial expenses before it earns associated revenues and may not ultimately sell as many licenses of its products as forecast.

The Company develops software products based on anticipated market and customer requirements and incurs substantial product development expenditures prior to generating associated revenues. Customers extensively evaluate the Company's products before making a purchase decision. The time required for evaluation and approval of the Company's products and solutions can take up to six or more months. Quite often, purchase decisions are deferred or dropped for reasons that have nothing to do with the product quality or value. Because of this lengthy development and sales cycle, the Company will experience delays between the time it incurs expenditures for research and development, sales and marketing and the time it generates revenues, if any, from these expenditures. Additionally, if actual sales volumes for a particular product are substantially less than originally forecast, the operating results would be adversely affected.

Failure of the management to manage growth effectively may adversely affect the Company's ability to increase its business and the result of operation.

The Company will need to make substantial investments in product development, sales and marketing activity to successfully market and sell its products in a rapidly evolving market. The Company continues to increase the scope of its operations domestically and internationally and has increased its headcount substantially. The Company's expected future growth will place significant strain on its management systems and its resources including the financial and managerial controls, reporting systems and procedures.

The Company must also manage multiple relationships with customers, partners, vendors and other third parties. Moreover, there may be unexpected costs. The Company's systems, procedures or controls may not be adequate to support its operations and it may not be able to expand quickly enough to exploit potential market opportunities.

Failure to keep pace with competition may adversely affect the growth prospects of the Company and / or adversely affect its business and the results of operation.

The Company's market is intensely competitive and characterized by rapidly-changing technology and evolving product releases by the competitors. The Company's competition may be able to develop more quickly or adapt faster to new or emerging technologies and changes in customer requirements. Many of the competitors have longer operating histories, larger customer base, greater name recognition and greater financial and other resources. New competitors continue to emerge and there continues to be consolidation among existing competitors, which could create pricing pressures. These factors may adversely affect the company's future growth and operating results.

Failure to protect our software and other proprietary technology rights could materially affect our operating results.

The Company may not be able to prevent misappropriation of its intellectual property rights or the reverse engineering of its solutions. Legal standards and scope of protection in many countries may not provide adequate protection of our proprietary technology/technologies. Consequently, we may not be able to prevent our proprietary technology/technologies from being exploited abroad. Misappropriation of our technology and high costs of policing/protection of our technology could adversely affect our operating results.

Infringement claims by third parties could adversely affect our operating results.

Third parties could claim that our current or future products or technology/technologies infringe their proprietary rights. Any claim of infringement by a third party, even those without merit, could cause us to incur substantial costs defending against the claim, and could distract the management from the Company's business. Third parties may also assert infringement claims against our customers.

These claims may require us to initiate or defend protracted and costly litigation on behalf of our customers, regardless of the merits of these claims. If any of these claims succeed, we may be forced to pay damages on behalf of our customers. We also generally indemnify our customers if our services infringe the proprietary rights of third parties. If anyone asserts a claim against us relating to proprietary technology or information, while we might seek to license their intellectual property, we might not be able to obtain a license on commercially reasonable terms or on any terms.

If the Company overestimates revenues, it may be unable to reduce its expenses to avoid or minimize a negative impact on its results of operations.

The Company's revenues are difficult to forecast and are likely to fluctuate significantly from time to time. The Company bases its operating expense budgets on expected revenue trends. The Company's estimates of sales trends may not correlate with actual revenues in a particular quarter or over a longer period of time. Variations in the rate and timing of conversion of the Company's sales prospects into actual licensing revenues could cause it to plan or budget inaccurately and those variations could adversely affect the Company's financial results. In particular, delays in sales cycles or loss of expected licensing deals would adversely affect the overall level and timing of the Company's revenues and its business, results of operations and financial condition could be harmed. In addition, many of its expenses, such as office and equipment leases and certain personnel costs, are relatively fixed. It may be unable to adjust spending quickly enough to offset any unexpected revenue shortfall. Accordingly, any shortfall in revenue may cause a material variation in operating results in any period.

The prices charged by the Company are based on market prices, which the Company cannot control.

The selling prices charged by the Company are based on market prices. The highly competitive nature of the market for the Company's products as well as international competition could drive down prices for the Company's products, thereby materially affecting its results of operations.

If the Company's products contain any material defects, its revenues may decline.

Software products as complex as those offered by the Company often contain errors or defects, particularly when first introduced, when new versions or enhancements are released and when configured to individual customer's existing computing systems. Despite testing conducted by the Company, if additional defects and errors are found in current versions, new versions or enhancements of its products after commencement of commercial shipment, this could result in the loss of revenues or a delay in market acceptance or an increase in the rate of return of the Company's products. The occurrence of any of these events could materially harm the Company's business, operating results and financial condition.

The Company's operating results may be adversely affected by variations of the Indian rupee against foreign currencies.

The Company plans to generate a significant share of its revenues from international operations. The increase in revenues from international operations will expose the Company to foreign exchange risks. Any adverse fluctuations in the currencies in which the Company's exports are invoiced would affect the Company's results of operations.

5.Human Resources

We have also taken into cognizance the fact that people form the biggest component in our cost structure. That said, developing human capital is a key focus area for the Company. Consequently a HR vision has to be in line with the Company's overall vision and business strategy.

Our Company is fully committed to its people and therefore strives to create a work environment that challenges and motivates people to be performance oriented. This has been evidenced in our Company having one of the lowest attrition levels in the industry.

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on code of Governance:

Intense Technologies Limited is committed to optimizing long-term value for its stakeholders. The Company believes that good Corporate Governance is an intrinsic part of its fiduciary responsibility as a responsible citizen and has thereby laid strong emphasis on the transparency of its operations. In this respect, the company has created an accountability matrix that not only follows statutory disclosures and reporting norms but also voluntarily adheres to best international practices. The company is confident that these practices will enable it to establish enduring relationships with all its stakeholders and optimize its growth paradigm. The Company has adopted a code of conduct and business ethics for members of the Board and senior management, who have all affirmed in writing their adherence to the code.

2. Board of Directors

Composition of the Board:

The Board comprises of Eight Directors – Two Executive and Six Non-Executive Directors.

No. of Board Meetings held:

During the financial year 2011-12 the Board of Directors of your company met 7 times on 13th May, 2011, 19th May, 2011, 12th August, 2011, 24th August, 2011, 27th October, 2011, 7th December, 2011 and 13th February, 2012.

Attendance at the Board Meetings and at the last Annual General Meeting:

Name of Director	Designation	No.of Board Meetings Held	No. of Board Meetings Attended	Attendance at the Last AGM (Yes/No)
# Mr. C.K.Shastri	C.M.D	7	7	Yes
# Mr. Jayant Dwarkanath	E.D	7	7	Yes
$ Mr. Tikam Sujan	N.E.D	7	1	No
$Mr. P. Anil Kumar	N.E.D	7	7	Yes
@ Mrs. V. Sarada Devi	N.E.D	7	*	No
@ Mr. P. Pavan Kumar	N.E.D	7	*	No
@ Mr. K.S. Shanker Rao	N.E.D	7	5	Yes
@ Mr. V.S. Mallick	N.E.D	7	3	Yes

Executive and Non-Independent
$ Non-executive and Non-independent
@ Non-Executive Independent Directors
* Leave of absence was granted

Directorships in other companies:

1. C. K. Shastri is a Director in e-JAS Tech Solutions Private Limited and i-trace Nanotech Private Limited.
2. Jayant Dwarkanath is a Director in e-JAS Tech Solutions Private Limited and i-trace Nanotech Private Limited.
3. P. Anil Kumar is a Director in e-JAS Tech Solutions Private Limited.
4. V.S.Mallick is a Director in Kanha Shanti Vanam, a Section 25 Company based in Hyderabad.

3. Audit Committee

Composition

Chairman: K.S. Shanker Rao

Members: V.S. Mallick
V. Sarada Devi

Terms of reference:

The terms of reference fully conform to the requirements of Section 292A of the Companies Act, 1956 and as specified in Clause 49 of the Listing Agreements with the Stock Exchanges, which *inter alia* include the following:

- Overseeing the company's financial reporting process.
- Recommending appointment and removal of external auditors and fixing of their fees.
- Reviewing with management the quarterly, half-yearly and annual financial results / statements with special emphasis on accounting policies and practices, compliance with accounting standards and other legal requirements concerning financial statements.
- Reviewing the adequacy of the audit and compliance functioning including their policies, procedures, techniques and other regulatory requirements.
- Reviewing the adequacy of internal control systems and significant audit findings.
- Discussions with external auditors regarding nature and scope of audit.

Meetings and Attendance:

The Audit Committee of Directors met five times during the financial year 2011-12 on 13th May, 2011, 12th August, 2011, 24th August, 2011, 27th October, 2011 and 13th February, 2012.

Name of the Member	Meetings held during the year	Meetings attended
K.S Shanker Rao	5	5
V. Sarada Devi	5	*
V.S.Mallick	5	5

4. Remuneration / Compensation Committee.

The Remuneration / Compensation committee of Directors met two times during the financial year 2011-12 on 13th May, 2011 and 21st December, 2011.

Name of the Member	Meeting Held during the year	Meeting attended
V.S. Mallick	2	2
K.S. Shanker Rao	2	2
V. Sarada Devi	2	*

* Leave of absence was granted

The Remuneration policy of the Company is summarized as follows:

i) For Managing Director & Whole-time Director:

The total remuneration, subject to shareholders' approval consists of:

1. A fixed component consisting of salary, allowances, perquisites and benefits are in line with the Company's rules for senior managerial personnel.
2. A variable component linked to the performance of the company as well as the Managing Director & Whole-time Director consisting of commission and special allowances as determined by the Remuneration Committee.

ii) For Non Executive Directors:

Remuneration and sitting fees paid to the directors during the financial year 2011-12.

Name of the Director	Category	Remuneration Paid	
		Salary & Perks(₹)	Stock Option
Mr. C.K.Shastri	Chairman and Managing Director	30,00,000	Nil
Mr. Jayant Dwarkanath	Executive Director	30,00,000	17,87,500
Mr. Tikam Sujan	Non-Executive Director	Nil	Nil
Mr. P. Anil Kumar	Non-Executive Director	Nil	Nil
Mrs. V. Sarada Devi	Non-Executive Director	Nil	Nil
Mr. P.Pavan Kumar	Non-Executive Director	Nil	Nil
Mr. K.S. Shanker Rao	Non-Executive Director	1,20,000	Nil
Mr. V.S. Mallick	Non-Executive Director	Nil	Nil

5. Share Transfer and Shareholder / Investor Grievance Redressal Committee: Composition, Names of Members and Chairman:

The Committee comprises of V.S.Mallick, Chairman, Jayant Dwarkanath and Tikam Sujan as its members, K.Tejaswi, Company Secretary as secretary to the committee. The Committee meets every fortnight to approve the transfers and to redress the grievances if any of the investors.

Number of Investor queries /complaints received during the year 2011-12 were as follows:

SL No.	DESCRIPTION	Opening Balance	Received	Disposed	Pending
1	Change/Correction Of Address	0	1	1	0
2	Non Receipt Of Dividend Warrants	0	0	0	0
3	Non Receipt Of Annual Report	0	0	0	0
4	Non Receipt Of Fresh/New Securities	0	1	1	0
5	Correspondence Related To Transfer Of Shares	0	1	1	0
	TOTAL	0	**3**	**3**	0

6. Management Committee: Composition, Names of Members and Chairman:

The Committee comprises of C.K.Shastri, Chairman, Jayant Dwarkanath and V.S. Mallick as its members. The Committee meets as and when required for monitoring and providing strategic direction to the Company's practices towards fulfilling its objectives. The Committee will guide the Company in matters relating to tenders and such other contracts and agreements as required from time to time. The Management committee of Directors met three times during the financial year 2011-12 on 26th August, 2011, 30th December, 2011 and 22nd February, 2012.

Name of the Member	Meeting Held during the year	Meeting attended
Mr.C.K.Shastri	3	2
Mr.Jayant Dwarkanath	3	3
Mr.V.S.Mallick	3	3

7. Annual General Meetings

The last three Annual General Meetings were held as under.

Year	Date	Location	Time
2010-11	30.09.2011	Surana Udyog Auditorium, FAPCCI House,Red Hills, Lakdi Ka Pul, Hyderabad –500 004.	10.30 A.M.
2009-10	30.09.2010	Surana Udyog Auditorium, FAPCCI House,Red Hills, Lakdi Ka Pul, Hyderabad –500 004.	10.00 A.M.
2008-09	30.09.2009	Belsons Taj Mahal Hotel, 82, Main Guard Road, Behind M.C.H. Swimming pool, Secunderabad – 500 003.	3.30 P.M.

Special Resolutions passed in the previous three AGM's were for :

During 2010-11:-

1. Delisting from The Calcutta Stock Exchange Limited.

During 2009-10:-

1. Re-appointment of C.K. Shastri as Managing Director of the Company.
2. Re-appointment of Jayant Dwarkanath as Whole-time Director of the Company.

During 2008-09:-

1. The issue of 6,00,000 (six lakhs only) equity share warrants convertible into equity share of ₹10/- each to M/s. Bennett, Coleman & Co. Limited at a price of ₹ 30/- per equity share.
2. The change in terms and conditions of appointment of C.K.Shastri as Managing Director of the Company.
3. The change in terms and conditions of appointment of Jayant Dwarkanath as Whole time Director of the Company.
4. Increase in the payment of Director's sitting fees.

8. Disclosures

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

None of the materially significant transactions with any of the related parties was in conflict with the interest of the Company. Details of the material related party transactions are disclosed in the notes to accounts.

b) Details of Non-compliance by the company, penalties, and strictures imposed on the company by the Stock Exchanges, SEBI or any Statutory Authorities on any matter related to capital markets.

The company has complied with all the requirements of the listing agreement with the Stock Exchanges as well as regulations and guidelines of SEBI. The Company made a compounding application to the Reserve Bank of India in the matter of refund of share application money to NRI in terms of RBI Regulations and the case was compounded. No other penalties or strictures were imposed by SEBI, Stock Exchanges or any other Statutory Authorities on matters relating to the capital markets during the last three years.

c) Compliance Certificate of the Auditors:

Certificate of the Statutory Auditors has been obtained on the compliance of the conditions of Corporate Governance in terms of Clause 49 of the Listing Agreement with Stock Exchanges and the same is annexed.

d) Details of compliance with mandatory requirements and adoption of the non- mandatory requirements of this clause.

The Company has fully complied with the mandatory requirements of Clause 49 of the Listing Agreement of the Stock Exchange. All Returns/Reports were filed within the stipulated time with the Stock Exchanges/other authorities.

Further, the Company has adopted non – mandatory requirement of Clause 49 of the listing agreement, viz., Remuneration Committee of the Board which has been constituted to determine the remuneration package of the Executive Directors.

e) The Management Discussion and Analysis Report is a part of this Annual Report.

9) Means of Communication:

The quarterly and annual financial results are published in the Business Standard (English) and Andhra Prabha (Telugu). These results are submitted to the Stock Exchange in accordance with the Listing Agreement and they are also being filed with Corporate Filing and Dissemination System (CFDS) (as per Clause 52 of the Listing agreement).

10) GENERAL SHAREHOLDERS' INFORMATION

1. 22nd Annual General Meeting:

The 22nd Annual General Meeting of the Company will be held on Friday, the 28th September 2012 at 3.00 P.M. at Surana Udyog Auditorium, FAPCCI House, Red Hills, Lakdi Ka Pul, Hyderabad –500 004.

2. Financial Calendar:

The quarterly financial results are published within 45 days from the closure of the quarter.

3. Date of Book Closure : 28th September 2012

4. Listing on Stock Exchanges:

The Bombay Stock Exchange Limited (BSE)
Phiroze Jeejeebhoy Tower,
Dalal Street, Mumbai - 400 001.

Delisted from The Calcutta Stock Exchange
Association Limited w.e.f 8th February, 2012.

The Company confirms that the annual listing fee has been duly paid to: The Bombay Stock Exchange Limited (BSE).

5. Stock Market Data:

Stock Code: BSE 532326

Market Price Data: **(Amount in ₹)**

Month	BSE	
	High	**Low**
Apr-11	8.26	6.71
May-11	7.50	6.51
Jun-11	7.42	5.52
Jul-11	6.31	5.30
Aug-11	5.99	4.00
Sep-11	5.68	3.61
Oct-11	4.50	3.46
Nov-11	4.15	3.16
Dec-11	3.69	3.01
Jan-12	5.79	3.50
Feb-12	6.25	4.09
Mar-12	8.90	5.00

6. Registrar and Share Transfer Agents:

Karvy Computershare Private Limited (KCPL) acts as Registrar and Transfer Agents of the Company. The shareholders are requested to contact KCPL at the following address:

Name and Address: Karvy Computershare Private Limited (KCPL)
Plot No. 17/24,
Next to Image Hospitals,
Vittalrao Nagar, Madhapur,
Hyderabad – 500 081

Phone Number : 91-40-44655000
Fax Number : 91-40-23420814 / 23420857
E-mail : einward.ris@karvy.com
Website : www.karvycomputershare.com

7. Share Transfer System

Share transfers are registered and returned, generally, within a period of 15 days from the date of lodgment, provided the necessary documents are in order.

Share Transfers during the financial year 2011-12:

Transfer period	No. of transfers	No. of shares	% of shares
1 to 15 Days	1	100	100

International Securities Identification Number: The ISIN Number of the Equity shares of the company is **INE 781A01017.**

8. Outstanding GDR's / ADR's / Warrants or convertible instruments and impact on Equity.

The Company has not issued any GDRs / ADRs/Warrants/Convertible debentures during the year 2011-12.

9. Distribution of Shareholding as on 31st March 2012

	No. of cases		No. of shares		Amount	
Category (Shares)	**Number**	**% of Total**	**Number**	**% of Total**	**In ₹**	**% of Total**
(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**
1-500	7480	76.19	1295033	6.77	12950330	6.77
501-1000	955	9.73	819445	4.28	8194450	4.28
1001-2000	563	5.73	880275	4.60	8802750	4.60
2001-3000	227	2.31	586869	3.07	5868690	3.07
3001-4000	107	1.09	386626	2.02	3866260	2.02
4001-5000	123	1.25	586696	3.07	5866960	3.07
5001-10000	173	1.76	1301628	6.80	13016280	6.80
10001 and above	189	1.93	13281310	69.40	132813100	69.40
TOTAL	**9817**	**100.00**	**19137882**	**100.00**	**191378820**	**100.00**

10. Shareholding Pattern as on 31st March 2012.

S.No.	Category	No. of Shares	%
1	Indian Promoters	1695499	8.86
2	Foreign Institutional Investors	500000	2.61
3	Bodies Corporate	3681608	19.24
4	Indian Public	10317319	53.91
5	NRI's / OCB's	2934995	15.34
6	Trusts	1	0
7	Clearing Members	8460	0.04
	Total	**19137882**	**100.00**

11. Dematerialization of Shares and Liquidity as on 31st March 2012.

S.No.	Particulars	No. of Shares	% of Share Capital
1	NSDL	12977459	67.81
2	CDSL	5990082	31.30
3	PHYSICAL	170341	0.89
	TOTAL	**19137882**	**100.00**

12. Code of Conduct and Ethics:

The Board of Directors of the Company has formulated a code of conduct and ethics applicable to all the members of the Board of Directors and Senior Management Personnel of the Company.

A detailed declaration along with a certificate of compliance appears in the Annexure to the Corporate Governance Report.

13. Risk Assessment and Minimization Procedures:

The Company from time to time has been conducting exercises on Risk Management and minimization procedures. This has been need based and being done by internal management.

14. Compliance with Clause 5A of the Listing Agreement

As per Clause 5 A of the Listing Agreement, no particulars were required to be mentioned as none of the shares were in Physical form, issued in public issue, which remains unclaimed.

15. Address for Correspondence:

K. Tejaswi,
Company Secretary
Intense Technologies Limited
A1, Vikrampuri,
Secunderabad- 500009
e-mail id: tejaswi@intense.in

Chief Executive Officer (CEO) and Chief Finance Officer (CFO) Certification

To the Board of Directors' of Intense Technologies Limited

Dear Sirs,

Sub: Chief Executive Officer (CEO) and Chief Finance Officer (CFO) Certification

(in accordance with provisions of Clause 49 of the Listing Agreement with the Stock Exchanges)

We have reviewed the financial statements and the cash flow statement of Intense Technologies Limited for the year ended March 31, 2012 and that to the best of our knowledge and belief, we state that:

(a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;

(ii) These statements together present a true and fair view of the company's affairs and are in compliance with current accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, and the steps they have taken or proposed to be taken to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit committee

(i) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(ii) That there were no instances of significant fraud of which we have become aware.

Place: Secunderabad	**C.K. Shastri**	**H.M.Nayak**
Date: 30th May, 2012	**Chairman & Managing Director**	**Head-Finance**

Auditors' Certificate to the Members of Intense Technologies Limited on compliance of the conditions of Corporate Governance for the year ended 31st March, 2012, under Clause 49 of the Listing Agreement with the Stock Exchanges.

We have read the Report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of Corporate Governance by Intense Technologies Limited (" the Company"), for the year ended 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was conducted in the manner described in the Guidance Note on Certification of 'Corporate Governance' issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and on the basis of our examination described above, the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Srinivas P. & Associates
Chartered Accountants
Firm Regn.No.006987S

Place: Hyderabad
Date: 31st August, 2012

CA.P.Srinivas
Proprietor
Membership No. 204098

DECLARATION BY THE MANAGING DIRECTOR OF THE COMPANY ON CODE OF CONDUCT

I hereby declare that:

1. The Code of Conduct for the Board Members and Senior Management of the company was approved by the Board of Directors in the Board Meeting and the same was adopted by the Company.

2. The Code of Conduct adopted by the Company was circulated to the members of the Board and Senior Management of the Company and is also posted on the website of the Company.

3. All the members of the Board and Senior Management of the Company have complied with all the provisions of the Code of Conduct.

For and on behalf of the Board

Place: Secunderabad
Date: 31st August, 2012

C.K.Shastri
Chairman & Managing Director

Auditors' Report

To
The Members of Intense Technologies Limited

1. We have audited the attached Balance Sheet of Intense Technologies Limited (the Company) as at March 31, 2012 and the related Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, annexed thereto which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, of India (The Act) and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in paragraph 3 above, we report that:
   i. We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
   ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   iii. The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;
   iv. In our opinion, the balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in compliance with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
   v. On the basis of the written representations 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 is 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. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with notes thereon and attached thereto give in the prescribed manner, the information required by the Companies Act, 1956, and give a true and fair view in conformity with the accounting principles generally accepted in India;
      a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2012,
      b) in the case of the statement of profit and loss , of the profit for the year ended on that date; and
      c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For Srinivas P. & Associates
Chartered Accountants
Firm Regn.No.006987S

Place: Hyderabad
Date: 30th May, 2012

CA.P.Srinivas
Proprietor
Membership No. 204098

Annexure to Auditors' Report

(Referred to in paragraph 3 of the Auditor's Report of even date to the Members of Intense Technologies Limited on the financial statements as of and for the year ended 31st March, 2012)

On the basis of such checks as considered appropriate and in terms of the information and explanations given to us, we further report as under:

(1) (a) The company has maintained proper records showing full particulars, including Quantitative details and situation of fixed assets.

(b) All the fixed assets have been physically verified by the Management in accordance with a phased programme of verification, which in our opinion is reasonable, having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) As per the information and explanations given to us, during the year, the Company has not disposed off any substantial part of the fixed assets that would affect the going concern status of the company.

(2) (a) As explained to us, the Company does not hold inventories, hence the provisions of clauses 4 (A) (iii),(iv),(v) and (vi) of the Companies (Auditor's) Report Order, 2003 is not applicable to the Company.

(3) (a) As per the information and records made available, the Company has granted unsecured loans to (1) Company listed in the register maintained under section 301 of the Companies Act, 1956.

(b) As per the information and records made available, the rate of interest and other terms and conditions on unsecured loans granted by the company are prima facie not pre-judicial to the interest of the Company.

(c) & (d) The repayment of the above unsecured loans, including interest is yet to be made.

(e) The Company has not taken any loan from companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year. The provisions of clause (iii) (f), and (g) of the Companies (Auditor's) Report Order, 2003 is not applicable to the Company.

(4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regards to purchases of fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal controls.

(5) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contract or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees 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.

(6) As per the information and explanations given to us, the company has not accepted deposits from public and hence directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable for the year under audit.

(7) The Company has outside internal audit system commensurate with its size and nature of its business.

(8) The Central Government has not prescribed the maintenance of cost records by this Company under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.

(9) (a) According to the records of the Company, the Company has been regular in depositing, with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2012 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no such statutory dues, which have not been deposited on account of any dispute.

(10) The accumulated losses of the company are more than fifty percent of its net worth and did not incur any cash loss during the financial year covered by our audit and incurred a cash loss of ₹115.89 lakhs in the immediately preceding financial year.

(11) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.

(12) As per the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares.

(13) In our opinion, the company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

(14) As per the records maintained, the company does not deal or trade in shares, securities, debentures and other investments.

(15) In our opinion and according to the information and explanations given to us by the management, the company has not given any guarantees for loans taken by others from banks or financial institutions.

(16) The Company has not raised any term loans during the year.

(17) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, the Company has not raised any short-term / long-term funds during the financial year.

(18) As per the information and explanations given to us, the 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.

(19) The Company has not issued any debentures and hence clause (XIX) of the Companies (Auditor's) Report Order, 2003 is not applicable to the Company.

(20) During the year covered by our report the Company has not raised any money by way of public issue.

(21) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For Srinivas P. & Associates
Chartered Accountants
Firm Regn.No.006987S

Place: Hyderabad
Date: 30th May,2012

CA.P.Srinivas
Proprietor
Membership No. 204098

Balance Sheet as at 31st March 2012

(Amount in ₹)

	Note	As at 31.03.2012	As at 31.03.2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	191,378,820	191,378,820
(b) Reserves & Surplus	3	154,202,543	136,854,733
(c) Share Application Money			4,500,000
(2) Non-current liabilities	4	16,192,666	13,563,744
(3) Current Liabilities			
(a) Trade Payables	5	3,617,892	10,965,979
(b) Short-term Provisions	6	18,011,604	16,479,498
TOTAL		**383,403,525**	**373,742,774**
II. ASSETS			
(1) Non-current assets			
(a) Tangible Fixed Assets	7	32,537,162	36,419,377
(b) Non-current investments	8	37,343	37,343
(c) Deferred Tax Asset (Net)		17,854,258	19,016,576
(d) Other non-current assets	9	46,236,463	66,248,644
(2) Current Assets			
(a) Trade Receivables	10	175,165,757	100,637,223
(b) Cash and Cash equivalents	11	103,439,000	146,338,776
(c) Other current assets	12	8,133,542	5,044,835
TOTAL		**383,403,525**	**373,742,774**
Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements
In terms of our Report of even date

Srinivas P. & Associates
Chartered Accountants
Firm Regn.No.006987S

For and on behalf of the Board

CA.P.Srinivas
Proprietor
Membership No.204098
Place: Secunderabad
Date : 30th May,2012

C.K.Shastri
Managing Director

Jayant Dwarkanath
Director

K.Tejaswi
Company Secretary

Statement of Profit & Loss for the year ended 31st March 2012

(Amount in ₹)

	Note	Year Ended 31.03.2012	Year Ended 31.03.2011
I.Revenue from Operations	13	206,657,772	145,776,460
II.Other Income	14	9,649,997	9,656,221
III.Total Revenue (I+II)		**216,307,769**	**155,432,681**
IV.Expenses			
Operating Expenses	15	4,347,806	4,263,385
Personnel	16	115,001,184	114,583,451
Administrative & Marketing Expenses	17	60,332,920	47,847,446
Financial Charges	18	226,285	327,717
Depreciation and amortisation		8,835,689	20,853,965
Misc.Expenses written off	19	645,703	645,703
Total Expenses		**189,389,587**	**188,521,667**
V.Profit/(Loss) before tax (III-IV)		26,918,182	(33,088,986)
VI.Tax Expense			
(a) Current Tax		-	-
(b) Deferred Tax		(1,162,318)	1,659,626
VII.Profit/(Loss) after tax		25,755,864	(31,429,360)
VIII.Prior Period items		(5,359,784)	149,154
IX.Balance Carried forward		**20,396,080**	**(31,280,206)**
X.Earnings per share (Face Value ₹10/- each)	20		
(a) Basic		**1.41**	(1.73)
(b) Diluted		**1.36**	(1.65)

The accompanying notes are an integral part of the financial statements
In terms of our Report of even date

Srinivas P.& Associates
Chartered Accountants
Firm Regn No.006987S

For and on behalf of the Board

C.K.Shastri
Managing Director

Jayant Dwarkanath
Director

CA.P.Srinivas
Proprietor
Membership No.204098
Place: Secunderabad
Date : 30th May,2012

K.Tejaswi
Company Secretary

Cash Flow Statement for the year ended 31st March 2012

(Amount in ₹)

		31.03.2012	31.03.2011
A	**Cash Flow from operating Activities**		
	Net Profit/(Loss) before tax	26,918,182	(33,088,986)
	Adjustment for:		
	Depreciation	8,835,689	20,853,965
	Miscellaneous Expenses written off	645,703	645,703
	Other Income	(9,649,997)	(9,656,221)
	Operating Profit/(Loss) before working capital changes	**26,749,577**	**(21,245,539)**
	Adjustment for:		
	(Increase)/Decrease in Trade Receivables	(74,528,534)	(16,872,893)
	(Increase)/Decrease in Other Current Assets	(3,088,707)	(2,232,125)
	(Increase)/Decrease in Other Non-Current Assets	18,335,358	(17,345,934)
	Increase/(Decrease) in Non-current Liabilities	2,628,922	3,158,286
	Increase/(Decrease) in Current Liabilities	(5,815,981)	8,069,071
	Cash generated from Operations	**(35,719,365)**	**(46,469,134)**
	Prior Period Items	(5,359,784)	149,154
	Net Cash Flow from Operating Activities	**(41,079,149)**	**(46,319,980)**
B	**Cash Flow from investing Activities**		
	(Increase)/Decrease in Fixed Assets	(4,953,474)	(3,595,895)
	(Increase)/Decrease in Misc.Expenditure	(6,517,150)	(7,202,424)
	Other Income Received	9,649,997	9,656,221
	Net Cash used in investing activities	**(1,820,627)**	**(1,142,098)**
C	**Cash Flow from Financing Activities**		
	Increase/(Decrease) in Share Capital	-	5,000,000
	Increase/(Decrease) in Warrants Foreiture	4,500,000	2,400,000
	Increase/(Decrease) in Share Application Money	(4,500,000)	(6,300,000)
	Increase/(Decrease) in Share Premium	-	1,000,000
	Net cash generated from Financing Activities	**-**	**2,100,000**
	Cash & Cash equivalents utilised (A+B+C)	(42,899,776)	(45,362,078)
	Cash & Cash equivalents (Opening Balance)	146,338,776	191,700,854
	Cash & Cash equivalents (Closing Balance)	103,439,000	146,338,776

The accompanying notes are an integral part of the financial statements

In terms of our Report of even date
Srinivas P. & Associates
Chartered Accountants
Firm Regn No.006987S

For and on behalf of the Board

CA.P.Srinivas
Proprietor
Membership No.204098
Place: Secunderabad
Date : 30th May ,2012

C.K.Shastri
Managing Director

Jayant Dwarkanath
Director

K.Tejaswi
Company Secretary

NOTES

1. SIGNIFICANT ACCOUNTING POLICIES:

1.1. ACCOUNTING CONCEPTS:

The Company follows the Historical cost convention and the mercantile system of accounting where the income and expenditure are recognized on accrual basis.

1.2. Revenue Recognition:

Revenue from software products is recognized when the sale has been completed with raising of invoice from the company.

Revenue from software development on a time and material basis is recognized based on software developed and billed to clients as per the terms of specific contracts.

Revenue from digitization is identified when the specific milestone is achieved and invoice is raised.

1.3. Expenditure:

Expenses are accounted on the accrual basis and provisions are made for all known and expected expenses, losses and liabilities.

1.4. Fixed Assets:

Fixed assets are stated at the cost of acquisition, less accumulated depreciation. Direct costs are capitalized till the assets are ready to be put to use. These costs include financing costs relating to acquisition of assets.

1.5. Depreciation:

Depreciation on fixed assets is provided on Written Down Value method on a pro rata basis at the rates specified in Schedule XIV of the Companies Act, 1956.

1.6. Product Development and Research:

Initial Expenditure incurred on Research and Development of products, promotional expenditure of new products and existing products have been capitalized and amortized over a period of time.

1.7. Foreign Currency Transactions:

Sales made to clients outside India have been accounted based on the rate prevailing on the date of invoice. Expenditure in foreign currency is accounted at the exchange rate prevalent when such expenditure is incurred. All monetary items denominated in foreign currency are reflected at the rates prevailing on the Balance Sheet date. Exchange differences, if any, arising on account of fluctuation in foreign exchange have been duly reflected in the profit and loss account in case of revenue transactions and capitalized in case of transactions having capital nature.

1.8. Investments:

Investments are stated at cost of acquisition, no provision has been made towards diminution in the value of investments.

1.9. Income tax:

Provision is made for income tax on a yearly basis, under the tax-payable method, based on the tax liability as computed after considering the prevailing exemptions available as per the Income Tax Act, 1961.Deferred tax is recognized, subject to the consideration of prudence on timing of difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more periods.

1.10. Trade Receivables, Loans & Advances:

Doubtful Debts/Advances are written off in the year in which those are considered to be irrecoverable.

1.11. Prior Period Expenses/Income:

Prior period items, if material are separately disclosed in Profit & Loss Account together with the nature and amount.

1.12.Earning Per Share

The earnings considered in ascertaining Earnings Per Share (EPS) comprises the net profit after tax (and includes the post tax effect of any extraordinary items). The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year. The Number of shares used in computing the diluted EPS comprises weighted average number of shares considered for deriving Basic EPS and also weighted average of the number of equity shares which could have been issued on conversion of dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year unless they have been issued at a later date. The diluted potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at the fair value (i.e. average market value of the outstanding shares.)

1.13. Employee Benefits:

Contribution to schemes such as Provident Fund and Employee State Insurance Scheme are charged to profit and loss account on accrual basis. The Company also provides for other retirement benefits in the form of gratuity under the Payment of Gratuity Act, 1972 based on an actuarial valuation made by an independent actuary as at the balance sheet date. The cost of leave encashment made to employees is considered as expenses on actual basis.

1.14. Employee Stock Option Scheme:

Stock options granted to employees under the stock option schemes are evaluated as per the accounting treatment prescribed by Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 issued by Securities and Exchange Board of India. Accordingly the excess of market value of the stock options as on the date of grant over the exercise price of the options is recognized as deferred employee compensation and is charged to profit and loss account on straight line basis over the vesting period of the options. The unamortized portion of the deferred employee compensation is shown under Reserves and Surplus.

1.15. Sales:

Sale of product/service is exclusive of sales tax/service tax.

1.16. Borrowing Cost:

Borrowing Cost on qualifying asset is considered for capitalization when the expenditure on qualifying asset and borrowing cost are incurred. The company had not acquired any assets against borrowings in the year and hence it is not applicable in the year.

1.17. Segment Reporting:

The Company's operations predominantly relates to software products development, hence no reportable primary segment information is made.

Notes to Financial Statements for the year ended 31st March 2012.

	2012		2011	
	No.of Shares	**(Amount in ₹)**	**No.of Shares**	**(Amount in ₹)**
2 SHARE CAPITAL				
a)Authorised Share Capital				
Equity Shares of ₹ 10/- each	50,000,000	500,000,000	50,000,000	500,000,000
	50,000,000	**500,000,000**	**50,000,000**	**500,000,000**
b)Issued, subscribed and fully paid up share capital				
Equity Shares of ₹ 10/- each	19,137,882	191,378,820	19,137,882	191,378,820
	19,137,882	**191,378,820**	**19,137,882**	**191,378,820**

c)Rights of shareholders :

The Company has only one class of equity shareholders. Each holder of equity shares is entitled to one vote per share.

d) Reconciliation of the shares outstanding at the beginning and at the end of the year

	2012		2011	
	No.of Shares	**(Amount in ₹)**	**No.of Shares**	**(Amount in ₹)**
Equity Shares				
At the beginning of the year	19,137,882	191,378,820	19,137,882	191,378,820
Add: Sub-division of shares	-	-	-	-
Add: Issue of bonus shares	-	-	-	-
At the end of the year	19,137,882	191,378,820	19,137,882	191,378,820
	19,137,882	**191,378,820**	**19,137,882**	**191,378,820**

e)Shareholders holding more than 5% shares in the Company

Name of the shareholder	**2012**		**2011**	
	No.of Shares held	**% total holding**	**No.of Shares held**	**% total holding**
1 C.K.Shastri	1,601,974	8.37	1,560,238	8.15
2 Tikam Sujan	1,854,084	9.69	1,699,343	8.88

Notes to Financial Statements for the year ended 31st March 2012.

(Amount in ₹)

		As at 31.03.2012	As at 31.03.2011
3	**RESERVES & SURPLUS**		
	Share Premium	406,019,259	406,019,259
	Warrants Forfeiture	20,802,500	16,302,500
	Employee Stock Options Outstanding	-	7,548,270
	Debit Balance in Proft & Loss Account	(272,619,216)	(293,015,296)
		154,202,543	**136,854,733**
4	**Non-current Liabilities**		
	Provision for Gratuity	10,855,009	8,890,286
	Long-term provisions	5,337,657	4,673,458
		16,192,666	**13,563,744**
5	**Trade Payables**	3,617,892	10,264,196
	Advances from Customers	-	701,783
		3,617,892	**10,965,979**
6	**Short-term provisions**		
	Provision for Expenses	11,344,654	9,964,266
	Service Tax	3,566,747	3,877,728
	Sales Tax	893,769	1,354,438
	TDS	984,736	790,945
	Others	1,221,698	492,121
		18,011,604	**16,479,498**

Schedule forming part of Balance Sheet

7.FIXED ASSETS

(Amount in ₹)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2011	Additions	Deletions	Total 31.03.2012	As at 01.04.2011	Additions	Deletions	Total 31.03.2012	As at 31.03.2012	As at 31.3.2011
Buildings	15,725,463	-	-	15,725,463	6,904,880	442,237	-	7,347,117	8,378,346	8,820,583
Computers & Software	71,985,961	4,548,593	-	76,534,554	58,212,677	6,062,497	-	64,275,174	12,259,380	13,773,284
Furniture & Fixtures	18,209,100	28,560	-	18,237,660	11,336,572	1,248,468	-	12,585,040	5,652,620	6,872,528
Office Equipment	13,150,693	376,321	-	13,527,014	6,949,260	887,378	-	7,836,638	5,690,376	6,201,433
Vehicle	2,244,090	-	-	2,244,090	1, 492,541	195,109	-	1, 687,650	556,440	751,549
INTANGIBLE ASSET Computer Software	44,831,380	-	-	44,831,380	44,831,380	-	-	44,831,380	-	-
	166,146,687	**4,953,474**	**-**	**171,100,161**	**129,727,310**	**8,835,689**	**-**	**138,562,999**	**32,537,162**	**36,419,377**
Previous Year	162,550,792	3,595,895	-	166,146,687	108,873,345	20,853,965		**129,727,310**	**36,419,377**	**53,677,447**

Notes to Financial Statements for the year ended 31st March 2012.

		As at 31.03.2012	As at 1.03.2011
		(Amount in ₹)	
8	**Non-current Investments**		
	(a). Subsidiaries	-	-
	(b). Associates	-	-
	(c). Joint Ventures	-	-
	(d). SPV	-	-
	(e). Investments in equity shares in other listed entities		
	Aggregate Value at cost of investments	37,343	37,343
	(Aggregate Market Value as on 31.03.2012 ₹ **52,290** previous year ₹ **53,217)**	**37,343**	37,343

Notes to Financial Statements for the year ended 31st March 2012.

(Amount in ₹)

		As at 31.03.2012	As at 31.03.2011
9	**Other Non-Current Assets**		
i	**Misc.Expenditure**		
	i) Preliminary & Public Issue Expenses	3,874,226	4,519,929
	Less: written off	645,703	645,703
	Sub-total	**3,228,523**	**3,874,226**
	ii)Deferred Employee Compensation Expense	-	1,031,120
	Sub-total	**-**	**1,031,120**
ii	**Related Party Advances - Unsecured considered good**	6,619,453	5,437,136
iii	**Gratuity Fund**	4,628,644	3,856,806
iv	**TDS**	27,155,210	39,704,365
v	**Advances**	1,035,854	8,568,904
vi	**Deposits**	2,741,916	3,040,329
vii	**EMDs**	826,863	735,758
	Sub-total	**43,007,940**	**61,343,298**
	Total	**46,236,463**	**66,248,644**
10	**Trade Receivables - Unsecured considered good**		
	Due for more than six months	50,629,280	50,595,153
	Others	124,536,477	50,042,070
		175,165,757	**100,637,223**
11	**Cash and Cash equivalents**		
a)	Balance with banks	39,251,906	28,386,960
b)	Cash on hand	324,283	266,083
c)	Deposits maturing after 12 months	62,250,801	115,327,460
d)	Deposits held as magin money against bank guarantee	1,612,010	2,358,273
		103,439,000	**146,338,776**
12	**Other current assets - Unsecured considered good**		
	Staff Advances	662,836	492,158
	Other Advances	7,470,706	4,552,677
		8,133,542	**5,044,835**

Notes to Financial Statements for the year ended 31st March 2012.

		Year Ended 31.03.2012	Year Ended 31.03.2011
		(Amount in ₹)	
13	**Revenue from operations (Net)**		
	From Sale of Products	95,580,810	60,285,830
	From Services	111,076,962	85,490,630
		206,657,772	**145,776,460**
14	**OTHER INCOME**		
	Dividend Received	810	927
	Interest	9,186,573	9,644,567
	Misc.Receipts	462,614	10,727
		9,649,997	**9,656,221**
15	**OPERATING EXPENSES**		
	AMC Charges	511,471	647,087
	Consumables	265,126	151,259
	Electricity Charges	2,554,019	2,361,598
	Repairs & Maintenance	1,017,190	1,103,441
		4,347,806	**4,263,385**
16	**PERSONNEL**		
	Salaries	112,113,226	112,960,884
	Employee Compensation Expense	(6,517,150)	(7,178,297)
	Actuarial Loss	1,734,330	2,919,516
	Gratuity	1,924,947	1,514,001
	Group Medical Insurance to Staff	2,612,546	2,197,414
	Staff Welfare	3,133,285	2,169,933
		115,001,184	**114,583,451**

Notes to Financial Statements for the year ended 31st March 2012.

(Amount in ₹)

		Year Ended 31.03.2012	Year Ended 31.03.2011
17	**ADMINISTRATIVE& MARKETING EXPENSES**		
	Advertisement	174,225	478,020
	AGM Expenses	265,758	258,471
	Audit fees		
	Statutory Audit Fees	300,000	300,000
	Singapore Branch Audit Fees	85,000	84,500
	Bad debts written off	8,640,988	-
	Books,Periodicals& News Papers	45,812	54,515
	Business Promotion	623,343	390,929
	Commission & Brokerage	104,755	142,723
	Directors Remuneration	6,120,000	6,080,000
	General charges	138,127	178,206
	Housekeeping Expenses	424,804	427,353
	Insurance	170,907	125,334
	Office Maintenance	413,099	415,133
	Courier and Postage	61,432	104,488
	Printing & Stationery	406,253	418,454
	Professional Charges	1,187,155	2,756,186
	Rates & Taxes	2,887,944	1,852,623
	Rent	5,464,497	5,668,536
	Scanning charges	17,776,249	14,892,862
	Security Services	151,763	144,000
	Seminar & Training Charges	62,929	46,719
	Telephones	3,066,471	3,384,653
	Travelling Expenses	11,739,693	9,618,868
	Vehicle Insurance	21,716	24,873
		60,332,920	**47,847,446**
18	**Financial Charges**		
	Bank Charges & Commission	178,090	228,142
	Interest on Vehicle Loan	48,195	99,575
		226,285	**327,717**
19	**Misc.Expenses written off**		
	Pref. Issue Expenses	417,141	417,141
	Preliminary Expenses	30,830	30,830
	Public Issue Expenses	197,732	197,732
		645,703	**645,703**

Notes to Financial Statements for the year ended 31st March 2012.

		Year Ended 31.03.2012	Year Ended 31.03.2011
20	**Earnings per share (Face value ₹10/- each)**		
A.	Numerator for earning per share (₹)	26,918,182	(33,088,986)
B.	Denominator for basic earning per share (Shares)	19,137,882	19,137,882
C.	Denominator for diluted earning per share (Shares)	19,756,132	19,995,882
D.	Basic earning per share (A/B) (₹)	1.41	(1.73)
E.	Diluted earning per share (A/C) (₹)	1.36	(1.65)

Notes to Financial Statements for the year ended 31st March 2012.

21. The previous years figures have been recast/restated/regrouped, wherever necessary, to conform to the current period's classification.

22. Balances of various parties, debtors and creditors are subject to confirmation.

23. Quantitative Details:

Additional information pursuant to the provisions of paragraphs 3,4C and 4D of Part II of Schedule VI of the Companies Act, 1956.

The Company is engaged in development and maintenance of computer software. The production and sale of such software cannot be expressed in any generic unit. Hence, it is not possible to give the quantitative details of sales and certain information as required under paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act,1956.

	2011-2012 ₹	2010-2011 ₹
Contingent Liabilities:		
Counter Guarantees given to Banks towards issue of B.G.s	**4,229,568**	4,807,269
Outstanding Bank Guarantees	**4,229,568**	4,807,269
Managerial Remuneration:		
Managing & Whole time Directors	**6,120,000**	6,080,000
Imports on CIF basis:		
Hardware/Software	**-**	-
Expenditure in Foreign Currency:		
Travel Expenses	**2,368,995**	1,012,072
Other Expenditure incurred	**1,140,705**	2,863,654
Transferred for Singapore Branch Expenses	**2,340,000**	5,764,145

24. Segment Reporting:

The Company's operations predominantly relates to software product development, hence no reportable primary segment information is made. The secondary segment reporting of the company's revenues are as follows:

Name of the Country	**Turnover (₹ in Lakhs)**
Indonesia	25.89
Kenya	7.38
South Africa	899.19
Oman	70.00
Sri Lanka	8.69
UAE	3.22
USA	2.57
Total	**1016.94**

25. Prior Period Items

Prior period item of ₹53.59 lacs includes Net amount after writing off of old debit balances of ₹62.12 lacs and old credit balance of ₹8.53 lacs.

26. Deferred Tax Assets/Liabilities:

Deferred tax asset was provided as per AS-22, accounting for taxes on income.

27. Impairment of Fixed Assets:

As per AS-28 on “Impairment of Assets”, all assets other than current assets, investments and deferred tax assets are reviewed for impairment wherever event/s or changes in circumstances indicate that carrying of amount of those assets may not be recoverable.

28. Overseas Branch Accounts & Audit:

We have considered the Auditor’s Report dated 2nd May 2012 of Sashi Kala Devi Associates, Singapore, Auditors of Singapore Branch in framing our Audit Report.

29. Working Capital Facility:

Working capital facility from Bank is secured by way of hypothecation/mortgage/pledge of receivables and company’s building.

30.Amounts paid/payable to Auditors:

	2011-12 (₹)	**2010-11 (₹)**
Statutory Audit Fee	**250,000**	250,000
Tax Audit Fees	**50,000**	50,000
Certification	**40,000**	60,000
Branch Auditors	**85,000**	84,500

31.Related Party Disclosures:

A).Key Managerial Personnel

(i)C.K.Shastri, Chairman and Managing Director
(ii)Jayant Dwarkanath, Wholetime Director

B) Enterprises in which Key Managerial Personnel 14(A) above has significant influence:

(i) eJAS Tech Solutions Pvt.Ltd
(ii) i-Trace Nanotech Pvt.Ltd

Transaction with related parties

			eJAS Tech Solutions Pvt.Ltd	
			2011-12	2010-11
			(Amount in ₹)	**(Amount in ₹)**
a)	Opening Balance (Debit)	:	7,810,582	1,318,184
b)	Sale of etaxfile	:	342,680	1,408,992
c)	Interest charged	:	841,466	292,470
d)	Advances paid	:	17,522,398	10,319,143
Total		:	26,517,126	13,338,789
Less:				
e)	Purchases	:	11,848,690	Nil
f)	Payments received from	:	8,048,983	5,528,207
g)	Closing Balance (Debit)	:	6,619,453	7,810,582

32.Remuneration to Management Personnel:

	(Amount in ₹)
(i) C.K.Shastri – Chairman & Managing Director	3,000,000/-
(ii) Jayant Dwarkanath – Wholetime Director	3,000,000/-
(iii)K.S.Shanker Rao- Director	120,000/-
	6,120,000/-

33.Employees Benefits:

As per Accounting Standard 15 “Employee Benefits” the disclosures of Employee Benefit, as defined in Accounting Standard are given below

(Amount in ₹)

Particulars	**2011-12**	**2010-11**
Employer’s contribution to Provident Fund	**246,231**	183,258
Employer’s contribution to Pension Fund	**558,881**	415,988
Total	**805,112**	**599,246**

34. ESOP’s granted to Management Personnel:

(i) Jayant Dwarkanath - 17,87,500 stock options.

35. GRATUITY REPORT UNDER AS-15 (REV) AS ON 31.03.2012

The Present Value of obligation is determined based on actuarial valuation using Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Gratuity Report under AS-15 (rev) for the year ended 31st March 2012

1.		**Table Showing the changes in present value of obligations as on 31/03/2012**	**(Amount in ₹)**
	a	Present value of obligations at the beginning of the year	8,890,286
	b	Interest cost	755,674
	c	Current service cost	1,169,273
	d	Benefits paid-Actuals	1,694,554
	e	Expected liability at the year end	9,120,679
	f	Present value of obligations at the end of the year	10,855,009
	g	Actuarial Loss	1,734,330
2		**Changes in fair value of Assets**	
	a	Fair Value of Assets at the beginning of the year	3,957,012
	b	Expected return on plan assets	423,140
	c	Contributions	1,943,046
	d	Benefits paid	1,694,554
	e	Actuarial gain/loss on plan assets	Nil
	f	Fair Value of Assets at the end of the year	4,628,644
3		**Table showing fair value of plan assets**	
	a	Fair value of plan assets at the beginning of the year	3,957,012
	b	Actual return on plan assets	423,140
	c	Contributions	1,943,046
	d	Benefits paid	1,694,554
	e	Fair value of plan assets at the end of the year	4,628,644
	f	Funded Status	(6,226,365)
	g.	excess of Actual over estimated return on plan assets	Nil
4		**Actuarial Loss or Gain recognised31-03-2012**	
	a	Actuarial Loss for the year-Obligation	1,734,330
	b	Actuarial Loss / gain for the year-plan assets	-
	c	Total Loss for the year	1,734,330
	d	Actuarial Loss recognised	1,734,330
5		**Amounts to be recognised in the balance sheet and statements of P&L**	
	a.	PV of obligations as at the end of the year	10,855,009
	b	Fair Value of Assets at the end of the year	4,628,644
	c	Funded Status	(6,226,365)
	d	Net liability / Asset recognised in balance sheet	(6,226,365)
6		**Expenses Recognised in statement of P&L**	
	a	Current Service Cost	1,169,273
	b	Interest Cost	755,674
	c	Expected return on plan assets	423,140
	d	Net Actuarial Loss recognised in the year	1,734,330
	e	Expesnes recognised in statement of Profit & Loss	3,236,137
7		**Valuation Method**	Projected Unit Credit Method
8		**Actuarial Assumptions**	
		Mortality Rate	LIC (1994-96) ultimate
		Withdrawal Rate	1% to 3%
		Discount Rate	8%
		Salary Escalation	4% p.a.

Intense Technologies Limited
Registered Office: A1, Vikrampuri, Secunderabad – 500 009

ATTENDANCE SLIP

Day Date Time	Friday September 28, 2012 3.00 P.M
Venue	Surana Udyog Auditorium, FAPCCI House, Red Hills,Lakdi-Ka-Pul, Hyderabad – 500004

Mr./Ms ……………………………………………………………

……………………………………………………………

……………………………………………………………

MEMBER ☐ PROXY ☐

(Please tick as applicable)

No.of Shares

Folio No.

Demat Particulars
DP ID No. :
Client ID No. :

Note : 1. Only Members of the Company or their Proxies will be allowed to attend the Meeting ON PRODUCTION OF ATTENDANCE SLIP duly completed and signed.
2. Members are requested to bring their copies of Annual Report with them.
3. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the Meeting.

I hereby record my presence at the 22nd ANNUAL GENERAL MEETING of the Company

…………………………………..
Signature of the Member or Proxy

Intense Technologies Limited
Registered Office: A1, Vikrampuri, Secunderabad – 500 009

FORM OF PROXY

Folio No. :

No.of Shares:

Demat Particulars
DP ID No. :
Client ID No. :

I/We, ____ of
(Name of Member)
____
(Address)
being Member (s) of Intense Technologies Limited, hereby appoint ____________________ of
(Name of Proxy)
____or failing
(Address of Proxy)
him/her____
(Name of alternate Proxy)
of ____
(Address of alternate Proxy)
as my/our proxy to vote for me / us and on my / our behalf at the 22nd ANNUAL GENERAL MEETING of the Company, to be held on Friday, the 28th day of September, 2012 at 3.00 P.M. or at any adjournment thereof.

Date ………………… ______________________
Signature of the Shareholder/ First named shareholder

Note: A Proxy need not be a member. The Proxy in order to be effective should be duly stamped, completed, signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the time for holding the aforesaid meeting.

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IMPORTANT COMMUNICATION TO MEMBERS

Ministry of Corporate Affairs ("MCA"), Government of India, has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies. MCA has issued a Circular on 21st April, 2011 and 29th April, 2011 stating that the service of notice / document by a company to its shareholders can now be made through electronic mode.

Keeping in view the above, we propose to send documents such as Notice of the Annual General Meeting, Audited Financial Statements, Director's Report, Auditor's Report, etc., henceforth to the shareholders in electronic form.

We request you to kindly register your Email ID with your Depository Participant (DP) in case if you are holding shares in demat (electronic) form and with the Registrar and Share Transfer Agent, Karvy Computershare Private Limited at einward.ris@karvy.com if you are holding shares in physical form, quoting reference of your Ledger Folio No. / DP ID & Client ID and Full name of 1st Registered Holder, Members are therefore requested to keep their Depository Participant (DP) / Registrar and Share Transfer Agent as the case may be informed of any change in their Email ID.

Upon receipt of request from any member, the Company shall also send the physical copy of the above documents.

We solicit your cooperation in helping the Company to implement the e-governance initiatives of the Government.