

16th Annual General Meeting

30th Day of September, 2010
at 11.00 a.m.

Plot No.41, IDA Mallapur, Hyderabad
Andhra Pradesh, INDIA

Contents :

	Page No.
✧ Corporate Information	2
✧ Notice	3
✧ Directors' Report	6
✧ Report on Corporate Governance	12
✧ Auditor's Report	21
✧ Balance Sheet	26
✧ Profit & Loss Account	27
✧ Cash Flow Statement	28
✧ Schedules	29
✧ Notes on Accounts	36
✧ Abstract of Balance Sheet	43
✧ Attendance/Proxy	44

CORPORATE INFORMATION**Board of Directors**

Sri Prasad V.S.S. Garapati	Chairman & Managing Director
Smt K.Saraswathi	Executive Director
Sri Sahu Garapati	Executive Director
Sri Venkaiah Doniparthi	Director
Sri Devineni Madhusudhan Rao	Director
Sri Cherukuri Subrahmanyam	Director

STATUTORY AUDITORS**M/s. J B R K & CO.**

118, 5th Floor
Maruthi Complex
Near Yashoda Hospitals
Somajiguda, Hyderabad

BANKERS**UCO BANK**

Tolichowki, Hyderabad

REGISTERED OFFICE

Plot No: 41, IDA Mallapur
Hyderabad – 500 076

SHARE TRANSFER AGENTS

M/s. XL Softech Systems Ltd.
3, Sagar Society, Road No : 2
Hyderabad – 500 034

LISTED

BOMBAY STOCK EXCHANGE LIMITED

NOTICE

Notice is hereby given that the 16th Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company at Plot No.41, IDA Mallapur, Hyderabad on **THURSDAY, 30TH SEPTEMBER 2010** at 11.00 A.M to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Balance Sheet of the Company as at 31st March, 2010 and the Profit and Loss account for the year ended on that date and the Report of Directors' and the Auditors thereon.
2. To appoint a Director in place of Sri. K Saraswathi, who retires by rotation, being eligible, offers herself for re-appointment.
3. To appoint M/s. J B R K & CO., Chartered Accountants, Hyderabad the retiring Auditors as Statutory Auditors to hold office from conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on a remuneration as may be decided by the Board.

SPECIAL BUSINESS:**4. APPOINTMENT OF SRI SAHU GARAPATI AS WHOLE TIME DIRECTOR:**

"RESOLVED THAT pursuant to the provisions of Sections 198,269,309 and 310 read with Schedule XIII of the Companies Act, 1956 and all other applicable provisions if any, of the Companies Act, 1956, Sri Sahu Garapati be and is hereby appointed as Whole Time Director of the Company for a period of 5 years with effect from 01.11.2009 at a remuneration of Rs.20,000/- per month as approved by the remuneration committee , with liberty to the Board of Directors to alter and vary the terms and conditions and/or remuneration , subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, be and is hereby approved.

By order of the Board
For **INNOCORP LIMITED**

Place : Hyderabad
Date : 28.08.2010

Sd/-
PRASAD V S S GARAPATI
Chairman & Managing Director

Notes :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote at the meeting instead of himself / herself and the proxy need not be a member of the Company. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hrs before the commencement of the meeting.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business is annexed hereto.
3. The Register of members and share transfer books of Company shall remain closed from **MONDAY, 27TH SEPTEMBER 2010 TO THURSDAY, 30TH SEPTEMBER 2010** (both days inclusive).
4. Members are requested to notify any change in their addresses to the Company immediately.
5. Members desirous of obtaining any information on the Annual Accounts of the Company are requested to write to the Company at least 7 working days before the date of the meeting to enable the Company for compilation of the required information.
6. Members are requested to notify immediately any change of address to their Depository Participants (DPs) in respect of their holdings in electronic form and also in respect of their physical share folios, if any to M/s. XL Softech Systems Ltd. Unit: Innocorp Limited, 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500034.

By order of the Board
For **INNOCORP LIMITED**

Place : Hyderabad
Date : 28.08.2010

Sd/-
PRASAD V S S GARAPATI
Chairman & Managing Director

EXPLANATORY STATEMENT
(Pursuant to Section 173(2) of the Companies Act)

Item No. 4

Sri Sahu Garapati is an MBA Graduate in operations & Marketing from S P Jain unit of Management, Dubai and has worked as a Business Development Manager for Javelia Communications FZ. LLC, Dubai from 2006 to 2008 and also as a Management Trainee for 1 Year in Innocorp Limited in the year 2005-2006.

The Board of Director felt that the presence of Sri Sahu Garapati in the Board will enhance the marketing of the goods, so appointed as Whole time Director of the Company at their meeting held on 30th October, 2009 w.e.f 01.11.2009 for a period of five years at remuneration as approved by the remuneration committee of the company.

As the appointment of the Managerial Person is subject to the approval of the members in their meeting, the Board commends the above resolution for your approval

None of the Directors except Sri Prasad Garapati, Sri K Sarwasti and Sahu Garapati are interested in this resolution.

ADDITIONAL INFORMATION ON DIRECTORS RETIRING BY ROTATION AND SEEKING RE-APPOINTMENT AND NEWLY APPOINTED DIRECTORS AT THE ANNUAL GENERAL MEETING IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT.

K. SARASWATHI

Smt. K. Saraswathi is a graduate in Science. She has 12 years of work experience in marketing of home appliances consumable durables. She looks after the day to day operations at the factory controlling the areas relating to production and dispatches of goods. She also assists Mr. Prasad Garapati in day to day administration of the unit

SAHU GARAPATI

Sri Sahu Garapati is an MBA Graduate in operations & Marketing from S P Jain unit of Management, Dubai and has worked as a Business Development Manager for Javelia Communications FZ. LLC, Dubai from 2006 to 2008 and also as a Management Trainee for 1 Year in Innocorp Limited in the year 2005-2006

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the 16th Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2010.

FINANCIAL HIGHLIGHTS

(Rs. in lacs)

Particulars	31.03.2010	31.03.2009
Sales (Plastic & Cable)	801.84	1277.38
Contract/Other Income	1.83	253.76
TOTAL INCOME	803.67	1531.14
Less Exercise Duty	104.52	237.61
TOTAL EXPENDITURE	655.80	2105.55
Profit/ (Loss) before depreciation & Financial Charges	41.47	(812.02)
Depreciation	30.75	48.34
Financial Charges	9.56	154.30
Profit Before Tax	(1.15)	(1014.66)
Fringe Benefit Tax	--	1.40
Prior period items	26.72	46.58
Provision for tax	--	--
Deferred Tax	--	--
NET PROFIT / (LOSS)	(25.56)	(1062.64)
Balance carried to balance sheet		

Your Directors would like to bring to your kind notice that even though there has been good growth in plastic division there was a significant fall in overall turnover of the Company and Your Directors would like to state that the cable division was adversely affected as Wet Lease Agreement entered with M/s Gem Cables and Conductors Limited was terminated. Further Huge amount of Debtors and advances were treated as irrevocable and converted into bad debts. Your Directors are hopeful of good performance and profitability in future years.

DIVIDEND:

During the Financial Year 2009-10, Your Company has recorded a nominal profit hence your Directors do not recommend any dividend for the Financial Year 2009-10.

DEPOSITS:

During the year under review, the Company has not accepted deposits attracting the provisions of Section 58A of the Companies Act 1956.

DIRECTORS:

The Board of Directors appointed Sri Sahu Garapati as Executive Director of the Company with effect from 01.11.2009, subject to the approval of the members in their general meeting.

Smt K Saraswati, Director of the Company retires at the ensuing annual general meeting and being eligible offer herself for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2 AA) OF THE COMPANIES ACT:

The Directors of your Company hereby report:

- (i) that in the preparation of Annual Accounts for the year ended 31st March, 2010, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
- (ii) that 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 ended 31st March, 2010 and of the profit and loss of the Company for that period;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts on a going concern basis.

AUDITORS:

M/s. J B R K & CO., Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible offers themselves for re-appointment. The Company has received a certificate from the Auditors to the effect that their appointment, if made will be in accordance with the provisions of Section 224(1B) of the Companies Act, 1956. The Board recommends their appointment.

PARTICULARS OF EMPLOYEES:

During the year under review, none of the employees were in receipt of remuneration in excess of the limits prescribed under the Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

EMPLOYEE RELATIONS:

The relationship with the employees continues to be cordial. The Directors would like to place on record their appreciation of the services rendered by all the employees of the Company.

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

A Statement of particulars of the conservation of energy, technology absorption and foreign exchange earnings and outgoings is given as required under the Companies (Disclosure of Particular in the Report of the Board of Directors) Rules, 1988, is enclosed as **ANNEXURE-A**

MANAGEMENT DISCUSSION & ANALYSIS

Pursuant to the provision of clause 49 of the Listing Agreement, a report on management Discussion & Analysis is set out as an **ANNEXURE- B**

CORPORATE GOVERNANCE:

The Company is regular in complying with the Clause 49 of the Listing Agreement entered with the Stock Exchanges. A brief report on the Corporate Governance with certificate from the Statutory Auditors of the Company for compliance with the Clause 49 of the Listing Agreement with the Stock Exchanges is set out in **ANNEXURE-C**.

HUMAN RESOURCE VALUATION:

Your Company recognizes that the human resources are the most crucial factor for achieving sustained growth over the years. The management considers it's highly motivated and passion driven work force as its partner in the growth of the Company.

ACKNOWLEDGEMENTS:

Your Directors acknowledge with gratitude and wish to place on record their sincere thanks and appreciation for the co-operation received by the Company from various departments of Central/ State Government, Banks, for their continued co-operation and the support extended during the year. Your Directors also wish to acknowledge the continued support and confidence reposed in the management by the Shareholders.

By order of the Board
For **INNOCORP LIMITED**

Place : Hyderabad
Date : 28.08.2010

Sd/-
PRASAD V S S GARAPATI
Chairman & Managing Director

ANNEXURE A**CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY
ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO**

Particulars pursuant to Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988

CONSERVATION OF ENERGY

- | | | | |
|----|---|---|---|
| a) | Energy conservation measures taken | : | Proper control points are set up at all levels to identify the wastage in power & fuel consumption and to take/initiate corrective steps. |
| b) | Additional investments and proposals, if, any, being implemented for reduction of conservation of energy | : | NIL |
| c) | Impact of the clause (1) and (2) above the reduction of energy consumption and consequent impact on the production of goods | : | N.A |

TECHNOLOGY ABSORPTION**Research and Development (R&D)**

- | | | |
|----|--|-----|
| 1. | Specific areas in which R&D carried out by the Company | NIL |
| 2. | Benefits derived as a result of the above R&D | NIL |
| 3. | Future plans of action | |
| 4. | Expenditure on R&D | |
| | Capital | NIL |
| | Recurring | NIL |
| | Total | NIL |
| | Total R&D Expenditure as % of total turnover | NIL |

Technology Absorption, Adaptation and Innovation

- | | | |
|----|--|-----|
| 1. | Efforts made towards technology absorption adaptation and innovation | NIL |
| 2. | Benefits derived as a result of above efforts | NIL |
| 3. | Information about imported technology | |
| a. | Technology imported | : |
| b. | Year of Import | : |
| c. | Whether Technology fully absorbed | : |
| d. | If not fully absorbed, areas and reasons for future plans actions | : |

FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plans.

The Company plans to explore and tap overseas markets. The Company also proposes to bring in new products and services which shall be first launched in the domestic markets and then shall be introduced in the overseas markets.

2. Foreign exchange earnings and outgo:	2009-10	2008-09
Foreign exchange earnings	NIL	NIL
Foreign exchange outgo	NIL	NIL

By order of the Board
For **INNOCORP LIMITED**

Place : Hyderabad
Date : 28.08.2010

Sd/-
PRASAD V S S GARAPATI
Chairman & Managing Director