

17th Annual General Meeting30th Day of September, 2011

At 11.00 a.m.

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

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CORPORATE INFORMATION

BOARD OF DIRECTORS:

Sri Prasad V S S Garapati	--	Chairman & Managing Director
Smt K.Saraswathi	--	Executive Director
Sri Sahu Garapati	--	Whole Time 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 Banjara Hills,
Hyderabad – 500 034

LISTED**BOMBAY STOCK EXCHANGE LIMITED**

NOTICE

Notice is hereby given that the 17th 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 **FRIDAY, 30th SEPTEMBER 2011** 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, 2011 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.Venkaiah Doniparthi, who retires by rotation, being eligible, offers him for re-appointment.
3. To appoint Statutory Auditors of the Company from the conclusion of this ensuing Annual General Meeting till the conclusion of the next Annual General Meeting on remuneration as may be decided by the Board.

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

Place: Hyderabad
Date: 25.08.2011

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. The Register of members and share transfer books of Company shall remain closed from **MONDAY, 26TH SEPTEMBER 2011 TO FRIDAY, 30TH SEPTEMBER 2011** (both days inclusive).
3. Members are requested to notify any change in their addresses to the Company immediately.
4. 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.
5. 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: 25.08.2011

sd/-
Prasad V S S Garapati
Chairman & Managing Director

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

VENKAIAH DONIPARTHI

Mr. Venkaiah is a diploma holder in Civil Engineering (India) and Mechanical Engineering (USA). He worked as Design Engineer in USA and erected the Projects like Power Plant, Nuclear Power Plant, etc. He is also a consulting Engineer to the city of Chicago (Government) besides being President of Induswear Import and Founder Committee, Buchireddy Palem, Andhra Pradesh.

DIRECTORS' REPORT

To
The Members

Your Directors have pleasure in presenting the 17th Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2011.

FINANCIAL HIGHLIGHTS

PARTICULARS	(Rs. in lac)	
	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
Sales (Excl: Duties & Taxes)	663.96	695.44
Other Income	8.52	1.84
TOTAL INCOME	672.48	697.28
TOTAL EXPENDITURE	597.67	655.80
Profit/ (Loss) before depreciation & Financial Charges	74.81	41.48
Depreciation	40.69	30.76
Financial Charges	4.64	9.56
Misc. Exp Witten Off	22.30	--
Profit Before Tax	7.18	1.16
Prior period items	0.85	26.73
Provision for tax	1.49	--
NET PROFIT / (LOSS)	6.54	(25.57)
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 the overall turnover of the Company was satisfactory, recorded a nominal net profit. Your Directors are hopeful of good performance and profitability in future years.

Your directors would like to bring to your kind notice that the company has availed Rs.125.00 lakh working Capital limits and Rs. 215.00 lakh term loan from UCO Bank by extending Land & Building and Machinery as collateral security towards expansion of the activities.

The company has already acquired two injection molding machines of 450 MT and 550 MT in the months of June, 2011 and August, 2011 respectively and put into use forthwith.

DIVIDEND:

During the Financial Year 2010-11, Your Company has recorded a nominal Net profit and plan to ploughed the same into business hence your Directors do not recommend any dividend for the Financial Year 2010-11.

DEPOSITS:

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

DIRECTORS:

Sri Venkaiah Doniparthi, Director of the Company retires at the ensuing Annual General Meeting and being eligible offer himself 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, 2011, 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, 2011 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 has expressed their unwillingness to be reappointed.

Company has received a notice under section 225 from a member for the appointment of M/s Ramasamy Koteswara Rao & Co, Chartered Accountants, Hyderabad as statutory auditors to hold office from conclusion of this ensuing Annual General Meeting till the conclusion of the next Annual General Meeting on a remuneration as may be decide by the board.

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.

REPLY TO AUDITORS OBSERVATION

1. With regard to the observation of the Auditors on updating the records showing full particulars of fixed assets including quantitative details and situation of fixed assets, we would like to bring to your kind notice that the Company is under the process of updating the same.

2. W
With regard to the observation of the Auditors for not complying with the requirements of AS-22- accounting for taxes on income - in respect of deferred tax we would like to bring to your kind notice that the same will be complied with, in the F.Y 2011-12.

3. W
With regard to the observation of the Auditors that the Company has no internal Audit System, we would like to bring to your kind notice that the Company would comply with this observation as and when the company's operations grow commensurate to its size of investment and break even capacity utilization.

PARTICULARS OF EMPLOYEES:

During the year under review, none of the employees were in receipt of remuneration in excess of Rs. 2,00,000/- per month or Rs. 24,00,000/- per annum 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.

For and On behalf of the Board of Directors

Place: Hyderabad

Date: 25.08.2011

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

A) 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****B) 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 :	NIL
b. Year of Import :	
c. Whether Technology fully absorbed :	
d. If not fully absorbed, areas and reasons for future plans actions :	

C) 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: **2010-11**

Foreign exchange earnings	NIL
Foreign exchange outgo	Rs 3216350/-

**For and On behalf of the
Board of Directors**

Place: Hyderabad
Date: 25.08.2011

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