**19th Annual General Meeting**
**30th** Day of September, 2013
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 | -- | Whole Time Director |
| Sri Sahu Garapati | -- | Whole Time Director |
| Sri Venkaiah Doniparthi | -- | Director |
| Sri Devineni Madhusudhana Rao | -- | Director |
| Sri Cherukuri Subrahmanyam | -- | Director |

**STATUTORY AUDITORS**

**M/s. RAMASAMY KOTESWARA RAO & CO**
Plot No. 238/A, MLA's Colony
Road No. 12, Banjara Hills
Hyderabad- 500 034

**Cost Auditors**
**M/s. P. Krishna Reddy & Co.,**
H.No.8-2-386/3, 2nd Floor,
Road No.5, Banjara Hills,
Hyderabad - 500 034.

**BANKERS**

**Andhra Bank**
Mallapur, 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**

**BSE LIMITED**





## INNOCORP LIMITED
**Regd. Office: Plot No.41, IDA Mallapur, Hyderabad-500076**

**PROXY FORM**

Regd. Folio No.....

I/We .....of .....in the district

Of .....being a member /members of

the above named company hereby appoint.....

of.....in the district of .....as my / our proxy to vote for me / us on my / our behalf at the 19th Annual General Meeting to be held on Monday, 30th September,2013 at 11.00 A.M at the Registered office of the company and at any adjournment thereof.

AffixRe.1/-Revenue Stamp

Note: This form is order to be effective should be duly stamped, completed and signed and must be deposited at the registered office of the company, not less than 48 hours before the meeting.

## INNOCORP LIMITED
**Regd. Office: Plot No.41, IDA Mallapur, Hyderabad-500076**

**ATTENDANCE SLIP**

19th Annual General Meeting- 30th September 2013 Regd. Folio No.....

I certify that I am a registered share holder/Proxy for the registered share holder of the company.

I hereby record my presence at the 19th Annual General Meeting of the Company at the registered office of the company on Monday, 30th September, 2013.

Member/s/Proxy's Name
(In block letters)

Member/s/Proxy's Signature

Note: Please fill in this attendance slip and hand it over at the entrance of the Hall.

**(k) Accounting Policies:**

Accounting policies for segment reporting are the same as adopted in preparation and presentation of the financial statements of the Company.

**(l) Cenvat Credit :**

Excise duty paid on inputs is debited to a separate account namely cenvat on Raw Material Account. This account is credited as and when cenvat actually utilised against payment of excise duty on Final dispatches. Balance in cenvat on Raw Materials is shown on assets side of Balance sheet under the Current assets.

**(m) Related party disclosures (AS-18):**

(i) Key Management Personnel: Prasad VSS Garapati
Chairman & Managing Director

(ii) Names of related parties:
1. Inno Projects (p) Ltd
2. Innofoods I
3. Innofoods II

**(n) Earnings Per Share– (AS-20):**

| | Current year | Previous year |
|---|---|---|
| a) Net profit for the year | Rs.46,27,237 | Rs.35,40,406 |
| b) Weighted average no. of shares outstanding during the year | 7941400 | 7941400 |
| c) Basic and diluted earnings per share | Rs. 0.58 | Rs. 0.45 |
| d) Nominal vaue of the share(Fully paid Rs) | 10 | 10 |

**(o)** a) Previous year figures have been regrouped and rearranged wherever necessary.
b) Paisas have been rounded off to the nearest rupee.

**(s). General Notes to the financial statements :**

(i) Statement of Profit & Loss for the year has been prepared showing the following separately as per Schedule-VI (Revised):

(ii) Previous year's figures have been regrouped wherever necessary to conform to the format of revised Schedule-VI and the layout adopted in the current year.

Per our report of even date attached.
**For RAMASAMY KOTESWARA RAO & CO.,**
**Chartered Accountants**
**(Firm Regn N010396S)**

**For and on behalf of the Board**

**sd/-**
**C.V.Koteswara Rao**
Partner
Membership No: 28353

**sd/-**
**Prasad VSS Garapati**
Managing Director

**sd/-**
**Sahu Garapati**
Director

Place: Hyderabad
Date: 14.08.2013





## NOTICE

Notice is hereby given that the 19th 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 **MONDAY, 30th SEPTEMBER 2013** 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, 2013 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 Smt. Saraswathi Kovelamudi, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Sri Devineni Madhusudhana Rao, who retires by rotation and being eligible, offers himself for re-appointment.
4. 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**

Sd/-
**Prasad V S S Garapati**
Chairman & Managing Director

Place: Hyderabad
Date: 14.08.2013

**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 **THURSDAY, 26TH SEPTEMBER 2013 TO MONDAY, 30TH SEPTEMBER 2013** (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**

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

Place: Hyderabad
Date: 14.08.2013

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.

**Smt. SARASWATHI KOVELAMUDI**
Smt. K. Saraswathi is a Graduate in Science. She has 14 years of work experience in Administration and production of home appliances and consumable durables. She looks after the day-to-day operations at the factory controlling the areas relating to production and dispatches of goods. She is neither a member nor chairman of any committee of the Company or any other Company. She holds 100 Equity shares in the Company

**Sri D MADHUSUDHAN RAO**
Sri Madhusudhan Rao is a practiced C.A., having expertise in managing a Hi-Tech print industry for security, variable data, telephone scratch card printing and also developed new technologies for conducting examinations for various institutions successfully. He is chairman of all committees of the Company and he is neither a member nor chairman of any committee of any other Company. He holds no Equity shares in the Company.





**(e) Depreciation:**

Depreciation on fixed assets under Straight-Line Method (SLM) at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

**(f) Valuation of Inventories:**

Inventories are valued at the lower of cost and net realizable value.

Cost is arrived at by using weighted average method and includes all costs of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

**(g) Tax Expense:**

Deferred tax resulting from "Timing Difference" between book and taxable profit is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the asset will be realized in future.

Provision is made for tax on Income and dividend distribution tax as per the applicable provisions of Income Tax Act, 1961.

**(h) Foreign Exchange Transactions:**

Exchange differences arising out of foreign currency transaction are recorded at the exchange rates prevailing at the transaction date.

**(i) Employee Benefits:**

Retirement benefits to employees comprise of payments under Defined Contribution Plans like Provident Fund and payments under Defined Benefit Schemes like Gratuity and Leave encashment.

Payments under defined contribution plans are charged to revenue on accrual. The liability in respect of defined benefit schemes is arrived based on actuarial valuation made at the end of the year by using projected unit credit method

**(j) Borrowing Costs:**

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

**1. Significant Accounting Policies – (AS-1):**

**(a) Basis of Preparation of Financial Statements:**

Financial statements have been prepared and presented under historical cost convention in accordance with the accounting principles generally accepted in India having due regard to fundamental accounting assumptions of going concern, consistency and accrual and comply with the Accounting Standards referred to in Sec.211 (3C) of the Companies Act, 1956 as applicable and with the relevant provisions of the Companies Act, 1956.

**(b) Use of Estimates:**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

**(c) Revenue Recognition:**

Revenue from sale of goods is recognized when significant risks and rewards in respect of ownership of products are transferred to customers. Revenue from domestic sales of products is recognized on dispatch of products. Revenue from export sales is recognized on shipment of products. Revenue from products is stated inclusive of duties, taxes but exclusive of returns, and applicable trade discounts and allowances.

Revenue from services is recognized as per the terms of contract with customers when the related services are performed, or the agreed milestones are achieved.

**(d) Fixed Assets:**

Fixed assets are carried at cost of acquisition less accumulated depreciation. Fixed assets which were revalued were carried at revalued values.

Cost includes non-refundable taxes, duties, freight, borrowing costs and other incidental expenses related to the acquisition and installation of the respective assets.

Fixed assets which are found to be not usable or retired from active use or when no further benefits are expected from their use are removed from the books of account and the difference if any, between the cost of such assets and the accumulated depreciation thereon is charged to Statement of Profit & Loss.





## DIRECTORS' REPORT

**To**
The Members

Your Directors have pleasure in presenting the 19th Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2013.

## FINANCIAL HIGHLIGHTS

**(Rs. in lacs)**

| PARTICULARS | YEAR ENDED 31.03.2013 | YEAR ENDED 31.03.2012 |
|---|---|---|
| Sales (Excl: Duties & Taxes) | 1493.07 | 1017.96 |
| Other Income | 9.85 | 0.77 |
| **TOTAL INCOME** | 1502.92 | 1018.73 |
| **TOTAL EXPENDITURE** | 1313.43 | 887.25 |
| Profit/ (Loss) before depreciation & Financial Charges | 189.49 | 131.48 |
| Depreciation | 68.85 | 56.81 |
| Financial Charges | 57.29 | 39.35 |
| Misc. Exp Witten Off | 0.00 | 0.00 |
| **Profit Before Tax** | 63.35 | 35.32 |
| Prior period items | (20.70) | (2.14) |
| Provision for tax | 3.62 | 2.22 |
| **NET PROFIT / (LOSS)** | 46.27 | 35.40 |

**OPERATIONS:**
Your Board would like to bring to your notice that the Company has witnessed significant growth and profitability during the financial year under review when compared to the last year. In spite of recessionary conditions of market and increasing competition, during the financial year under review, your Company has achieved total sales of Rs. 1493.07 lakhs when compared to last year sales of Rs. 1017.96 and recorded net profit of Rs. 46.27 lakhs for the financial year 2012-13 when compared to net profit of Rs. 35.40 lakhs during the previous year.

**DIVIDEND:**
During the Financial Year 2012-13, Your Company has plans for expansion of the business and hence your Directors do not recommend any dividend for the Financial Year 2012-13.

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

**DIRECTORS:**

Smt. Saraswathi Kovelamudi and Sri Devineni Madhusudhana Rao Directors of the Company retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

**DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) 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 2013, 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 2013 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 Ramasamy Koteswara Rao & Co, Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and has expressed their willingness to be reappointed

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.

**DIRECTOR REPORT :**

The Company appointed M/s. P. Krishna Reddy & Co., Cost auditors for the F.Y. 2013-14 under section 233B of the companies Act. 1956 on a remunaration as decided by the Board.
Cost Audit compliance report filed for the financial year 2012-13

**PARTICULARS OF EMPLOYEES:**

During the financial year under review, none of the employees were in receipt of remuneration in excess of Rs. 5,00,000/- per month or Rs. 60,00,000/- per annum the limits prescribed under the Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 2011.

**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.





**Note**

**a) Contingent liabilities and commitments (to the extent not provided for)**

| | 2012-13 | 2011-12 |
|---|---|---|
| **(i) Contingent Liabilities**<br>(a) Claims against the company not acknowledged as debt<br>(b) Guarantees<br>(c) Other money for which the company is contingently liable | NIL | NIL |
| **(ii) Commitments**<br>(a) Estimated amount of contracts remaining to be executed on capital account and not provided for<br>(b) Uncalled liability on shares and other investments partly paid<br>(c) Other commitments (Specify nature) | NIL | NIL |
| | - | - |

**b) Details of Dividend Payment**

| Particulars | Total | Per Share |
|---|---|---|
| Dividends proposed to be distributed to equity shareholders<br><br>Dividends proposed to be distributed to preference shareholders<br><br>Arrears of fixed cumulative dividends on preference shares | NIL | NIL |

c) Where in respect of an issue of securities made for a specific purpose, the whole or part of the amount has not been used for the specific purpose at the balance sheet date, Indicate below how such unutilized amounts have been used or invested.

NIL

d) In the opinion of the Board, all assets other than fixed assets and non current investments, have a realisable value in the ordinary course of business which is not different from the amount at which it is stated, except as stated below:

| Name of Assets | Realisable Value | Value in Balance Sheet | Opinion of Board |
|---|---|---|---|
| | | | |
| | NIL | | |
| | | | |

**Note 23**
**Other expenses**

| Particulars | 2012-13 | 2011-12 |
|---|---|---|
| Audit fee | 112,360 | 112,360 |
| Advertisement Expenses | 11,410 | 20,115 |
| Subscriptions | 56414 | 61,247 |
| Bad debts/Advances written off | - | 691,852 |
| Computer Exp | 26835 | 22,475 |
| E D L I (EPF) | 8688 | 13,076 |
| Insurance | 169,687 | 161,951 |
| Job Work Charges | 463,600 | 247,900 |
| Loss on Sale of Vehicles | 189,377 | 474486 |
| Maintenance | 212,376 | 298,207 |
| Office Expenses | 912,037 | 334,918 |
| Postage & Telephones | 139,910 | 117,263 |
| Printing & Stationary | 58,521 | 91,698 |
| Professional & Consultancy Charges | 343,385 | 457,680 |
| Rates & Taxces | 292,875 | 112,570 |
| Security Charges | 269,851 | 218,405 |
| VAT | 16,229,498 | 11,581,849 |
| Travelling & Conveyance | 887,489 | 544,156 |
| Vehical Maintainance | 559,997 | 107,783 |
| **Total** | **20,944,310** | **15,669,991** |

**Note 24**
**Prior Period Expenses**

| Particulars | 2012-13 | 2011-12 |
|---|---|---|
| Income Tax A.Y 2006-07 | 2000000 | - |
| Depository Account Expenses to XL -Soft Tech | 40921 | - |
| Transfer of Time barred Amount | 18127 | - |
| Driver Salary | 11270 | - |
| Audit Fee of 2010-11 | | 104540 |
| CST Payment rectification | | 116732 |
| Depreciation rectification entry | | (7572) |
| **Total** | **2,070,318** | **213,700** |





**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 Particulars 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.

Place: Hyderabad
Date: 14.08.2013

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

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