

INCAP

LIMITED

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10th
ANNUAL REPORT
1999 - 2000

INCAP LIMITED

BOARD OF DIRECTORS

U.V. Warlu

C. Bhagavantha Rao

K. Ramakoteswara Rao

P. K. Purushothaman

V. Raman Rao

P. Ram Rao

M. Prabhakar Rao

K. Ram Babu

K. Srinivasa Rao

M.N. Rao

M. Ramaiah

Chairman

Managing Director

Executive Director

Technical Director

Nominee of APIDC

AUDITORS

M/s. Purnachandra Rao & Co.,

Chartered Accountants,

GUDIVADA.

BANKERS :

State Bank of India

VIJAYAWADA - 7

State Bank of Hyderabad

VIJAYAWADA - 2

REGISTERED OFFICE AND FACTORY :

1-58, Nidamanur,

VIJAYAWADA - 521 104,

Andhra Pradesh.

INCAP LIMITED

NOTICE

Notice is hereby given that the TENTH ANNUAL GENERAL MEETING of INCAP LIMITED will be held on Saturday the 23rd September, 2000 at 11-00 a.m. at the Registered office of the Company at 1-58, Nidamanur, Vijayawada - 521 104, to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt the Balance Sheet as at 31st March, 2000, the Profit and Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sri U.V. Warlu, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sri K. Srinivasa Rao, who retires by rotation and being eligible offers himself for re-appointment.
4. To reappoint Auditors to hold office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

M/s.PURHACHANDRA RAO & CO., Chartered Accountants, Gudivada, the present auditors of the company are eligible for reappointment and are willing for the same.

NOTES :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a member, Proxies in order to be effective must reach the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
2. The Register of Members and Share Transfer Books of the company will remain closed from 13-09-2000 to 23-9-2000 (both days inclusive).
3. Members are requested to notify immediately any change in their address to the company's registered office.
4. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the company on all working days, except Saturdays, between 11-00 AM and 1.00 PM upto the date of Annual General Meeting.
5. Members are requested to send all communications relating to shares to the Company's transfer agents at the following address :

M/s. Karvy Consultants Limited,
Karvy House,
46 Avenue 4, Street No. 1,
Banjara Hills, Hyderabad - 500 034.
Phone Nos. 040 3312454, 3320251.

INCAP LIMITED

6. Members/proxies are requested to deposit the enclosed attendance slip at the meeting.
7. Annual Listing fee has been paid to each of the following exchanges, where company's Securities are listed.
 - 1) The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers,
Dalal Street, MUMBAI - 400 001.
 - 2) The Hyderabad Stock Exchange Limited,
No. 3-6-275, Himayatnagar,
HYDERABAD - 500 029.

By Order of the Board

**C.BHAGAVANTHA RAO
MANAGING DIRECTOR**

HYDERABAD,
17th June, 2000.

Registered Office :
1-58, Nidamanur,
Vijayawada - 521 104.
Andhra Pradesh.

INCAP LIMITED

DIRECTORS' REPORT

To the Shareholders,

Your Directors take pleasure in presenting this Tenth Annual Report on the operations of your company and the Audited Accounts for the financial year ended 31st March, 2000 together with Auditors' Report thereon.

FINANCIAL RESULTS :

The financial results for the year ended 31st March, 2000 are summarised below :

	1999 - 2000	1998 - 99
	(Rs. in lacs)	
Gross Revenue	1186 . 89	1107 . 99
Gross Profit before Interest	233 . 29	255 . 43
Interest	56 . 51	81 . 11
Gross Profit after Interest	176 . 78	174 . 32
Depreciation	54 . 11	52 . 02
Miscellaneous Expenses Written Off	4 . 58	4 . 58
Profit before tax	118 . 09	117 . 72
Provision for taxation	13 . 97	12 . 36
Profit after tax	104 . 12	105 . 36
Add : Balance brought forward from the previous year	9 . 32	3 . 96
Profit available for appropriation	113 . 44	109 . 32
Appropriations suggested :		
General Reserve	100 . 00	100 . 00
Balance carried to Balance Sheet	13 . 44	9 . 32

The Board recommends transfer of Rs. 100.00 lacs to General Reserve from the un-distributed profits.

OPERATIONS :

During the year the performance of your company showed improvement in terms of sales, inspite of stiff competition from cheap imports. The turnover rose from Rs. 1101.78 lacs in the

year 1998-99 to Rs. 1154.34 lacs for 1999-2000. The production for the year was 55.20 million pieces as against 57 . 07 million pieces of the previous year.

INCAP LIMITED

OUT LOOK :

Your Directors are optimistic to have a positive results for the current year also on account of growth in Colour Television (CTV) sector and Telecom sector. Your company is also developing Lug Terminal Capacitors in various ranges which are under test and evaluation by actual users. Your Directors exploring the possibilities of setting up a Forming Plant as part of backward integration and also planning for an entry into the I.T. Segment.

EXPORTS :

During the year your company exported small quantity to Australia worth Rs. 0.67 Lacs. Your company exploring all the possibility of securing export orders which looks to be difficult on account of very low price offered by South-East Asian countries. Your Directors inform that at present your company services to domestic market and a meagre capacity is left out for export purpose.

FINANCE :

Your Directors are happy to inform that, we have settled the Central Financial Institutions dues by availing a Term Loan of Rs. 3.00 crores from Commercial Banks.

DIRECTORS :

Sri U.V. Warlu and Sri K. Srinivasa Rao retire by rotation and being eligible offers themselves for re-appointment.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION :

The Company does not belong to the category of power intensive industries and hence consumption of power is not significant. However the management is aware of importance of conservation of energy and also reviews from time to time the measures taken / to be taken for reduction of consumption of energy.

Form A is not applicable to the company as it does not fall under the list of Industries specified in the schedule attached to Rule 2.

No Foreign Technology is imported as such, the question of the absorption of the same does not arise.

AUDITORS :

Your Company's Auditors M/s. Purnachandra Rao & Co., retire at the conclusion of the forthcoming Annual General Meeting and have signified their willingness to accept re-appointment and confirmed their eligibility under Section 224(1-B) of the Companies Act, 1956.

FOREIGN EXCHANGE EARNINGS AND OUTGO :

(Rs. in lacs)

	Current Year	Previous Year
Earnings of Foreign Exchange	0 . 67	0 . 64
Expenditure in Foreign currency :		
On imports of raw materials/ components	584 . 97	449 . 17
On account of Capital Goods	-	-
On account of travel	-	-

INCAP LIMITED

PARTICULARS OF EMPLOYEES :

As required by the provisions of section 217(2A) of the Companies Act, 1956, read with the companies (particulars of employees) Rules 1975, as amended, your Directors report that no employee was in receipt of remuneration of Rs. 6.00 lacs or more per annum, or Rs. 50,000 or more per month where employed for a part of the year.

ACKNOWLEDGEMENTS :

Your Directors would like to express their grateful appreciation for the assistance and

cooperation received from APIDC, State Bank of India, State Bank of Hyderabad, Customers and Suppliers.

Cordial relations prevailed during the year with all the employees. Your Directors wish to place on record their deep sense of appreciation of the valuable work done and cooperation extended by them at all levels.

Your Directors also wish to express their gratitude to investors for the continued faith reposed by them in the Company.

BY ORDER OF THE BOARD

**U.V. WARLU
CHAIRMAN**

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