

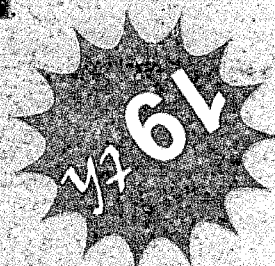
ISO 9001 : 2000 CERTIFIED COMPANY

INCAP LIMITED

2008 - 2009

*Annual
Report*

INCAP



BOARD OF DIRECTORS

Sri M. Prabhakar Rao	Chairman
Sri C. Bhagavantha Rao	Managing Director
Sri P. K. Purushothaman	Technical Director
Sri P. Rajeswara Rao	APIDC Nominee
Sri P. Ram Rao	Director
Sri K. Ramakoteswara Rao	Director
Sri K. Srinivasa Rao	Director
Sri Ch. Appa Rao	Director

AUDITORS

M/s. PURNACHANDRA RAO & Co.,
Chartered Accountants
Sivalayam Street,
Gowrishankarapuram,
GUDIVADA - 521 301

BANKERS

State Bank of India,
Patamata,
VIJAYAWADA - 520 007.

State Bank of Hyderabad,
Governorpet,
VIJAYAWADA - 520 002.

REGISTERED OFFICE & FACTORY**INCAP LIMITED**

1-58, Nidamanur,
VIJAYAWADA - 521 104
Krishna District
Andhra Pradesh

Tel : 91 - 866 - 2842571, 2842479,
2841147

Fax : 91 - 866 - 2842572

E-mail : vjwincap@bsnl.in

URL : www.incapltd.com

REGISTRARS &**SHARE TRANSFER AGENTS**

(PHYSICAL & DEMAT)

M/s. VENTURE CAPITAL AND CORPORATE INVESTMENTS PRIVATE LIMITED,

12-10-167, Bharat Nagar,

HYDERABAD - 500 018,

Phone : (040) 23818475, 476

Fax : (040) 23868024

NOTICE

Notice is hereby given that the **NINETEENTH ANNUAL GENERAL MEETING** of **INCAP LIMITED** will be held on Saturday, the 19th September, 2009 at 12-00 NOON at the Registered Office of the Company at 1-58, Nidamanur, Vijayawada-521104, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Account for the year ended 31-03-2009 and the Reports of the Directors and Auditors thereon.
2. To declare dividend for the year 2008-2009.
3. To appoint a Director in place of Sri K. Ramakoteswara Rao, who retires at this meeting and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Sri P. Ram Rao, who retires at this meeting and being eligible offers himself for re-appointment.
5. To consider, and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution.

"RESOLVED that the Auditors, M/s.Purnachandra Rao & Co., Chartered Accountants, be and are hereby re-appointed as Auditors of the Company to hold office from conclusion of this meeting till the conclusion of next Annual General Meeting at such remuneration as may be determined by the Board".

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass, with or without modification(s), the following Resolution

as an ORDINARY RESOLUTION :

"RESOLVED that pursuant to the provisions of sections 269, 309, 314 and other applicable provisions, if any, of the Companies Act, 1956, the company hereby approves re-appointment of Sri P.K. Purushothaman as a Whole-time-Director of the Company designated as "Technical Director" for a period of Two years from 12-09-2008 on terms and conditions including remuneration set out in the explanatory statement annexed to the notice entered into by the company with him, submitted to the meeting and the same is hereby approved by the Board of Directors in its meeting on 27th September, 2008.

7. "RESOLVED that the consent of the Board of Directors of the Company be and is hereby accorded to withdraw a sum of Rs. 4.50 Lakhs from the General Reserves created out of distributable profits of the Company as per the provisions of the Companies (Declaration of dividend out of Reserves) Rules, 1975 and the same be utilized for the payment of dividend to the Equity share holder of the company of the year 2008 - 2009.
8. To appoint Smt. C. Neelima, as Additional Director who holds office upto 19th September, 2009 and in respect of whom the company has received a notice in writing from a member proposing her name for appointment as director.

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 15-09-2009 to 19-09-2009 (both days inclusive) for the purpose of payment of dividend on the equity shares of the company for the year ended 31st March, 2009.
3. The Dividend if any declared at this meeting will be paid to those members, whose names appear in the Register of Members of the Company as on 19-09-2009.
4. Members, who hold share in dematerialized form, are requested to bring their client - ID and DPID Nos. for easier identification of attendance at the meeting.
5. A member desirous of getting any information on the accounts or operations of the company is requested to forward his/her queries to the company atleast seven working days prior to meeting, so that the required information can be made available at the meeting.
6. Members holding shares in physical form are requested to notify immediately any change in their address and Bank Particulars to the company or its Share Transfer Agents and in case their shares are held in dematerialized form, the information should be passed on directly to their respective Depository participants and not to the Company / Share Transfer Agents, without any delay.
7. Any request by Demat - holders for change of bank particulars, after despatch of dividend warrants should be accompanied by a copy of Client Master List showing the changed bank details.
8. In all correspondence with the company, members are requested to quote their account/ folio numbers and in case their shares are held the dematerialized form, they must quote their DP ID and Client ID Number.
9. Investors/Share holders are requested to kindly note that if physical documents viz. Demat Request Forms (DRF) and share certificates etc., are not received from their DPs by the Registrar within a period of 15 days from the date of generation of the DRN for dematerialization, the DRN will be treated as rejected / cancelled. This step is being taken on the advice of National Securities Depository Limited (NSDL) so that no demat request remains pending beyond a period of 30 days. Upon rejection / cancellation of the DRN, a fresh DRF has to be forwarded along with the share certificates by the DPs to the Registrar. This note is only caution to investors / shareholder that they should ensure that their DPs do not delay in sending the DRF and Share Certificates to the registrar after getting the DRN.
10. Members holding share in physical form are requested to inform their Bank Account Number and Bank branch details to the Company to enable it to include these details in the dividend warrants and thus minimize the chances of loss of dividend warrants falling in wrong hands. The above information may be given to the Company's Registered office or it's Share Transfer Agents on or before 15-09-2009.
11. 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 A.M and 1.00 P.M. up to the date of Annual General Meeting.

12. Members are requested to send all communications relating to Shares to the Company's transfer at the following address :

M/s. Venture Capital and Corporation Investments Private Limited,
12-10-167, Bharath Nagar, Hyderabad - 500 018
Ph : 040-23818475, 476, Fax : 040-23868024

13. Members/proxies are requested to deposit the enclosed attendance slip at the meeting.

14. Annual Listing fee has been paid to the following Exchange, where company's Securities are listed.

- 1) Bombay Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers,
Dalal Street, MUMBAI - 400 001.

Explanatory Statement under Section 173(2) of the Companies Act, 1956.

Item No. 6

The Board of Directors of the Company at its meeting held on 29th September, 2008 re-appointment of Sri P.K. Purushothaman as a Whole-Time-Director of the Company designated as "Technical Director" subject to approval of the share holder of the General Meeting. The terms and conditions on which Sri P.K. Purushothaman has been re-appointed as "Technical Director" of the company for a period of two years from 12-09-08 with Rs. 5000/- (Rupees Five thousand only) increase by every year. The following remuneration which shall be within the overall ceilings as specified in schedule XIII of the Company of Act. 1956.

1. The whole time Director shall, subject to the supervision and control of the Board of the Directors and/or Managing Director of the

company, manage the business and affairs of the company.

2. Period of Agreement : Two Years (with effect from 12-09-2008).

3. Remuneration Payable : With effect from 12-09-2008.

(a) Salary: Rs. 36,700 (Rupees Thirty Six thousand Seven hundred only) per month (including dearness and other allowances).

Perquisites :

(1) Housing :

1. In case no accommodation is provided by the Company Sri P.K. Purushothaman shall be entitled to House Rent allowance to the extent of 25% of the Salary.

2. Expenses pertaining to gas, electricity, water and other utilities will be borne/ reimbursed by the Company.

II. Medical Reimbursement :

Reimbursement of actual medical expenses incurred in India and including hospitalization, nursing home and surgical charges for himself and family as per company rules (i.e. two months salary over a period of Two years).

iii) Leave Travel concession :

Sri P.K. Purushothaman and his family once in a year incurred in accordance with the rules of the Company.

(iv) Contribution to Provident Fund, Super Annuation and Annuity fund :

The Companies contribution to provident fund and Superannuation or Annuity fund as per the rules of the Company applicable to Senior Executives.

(v) Gratuity :

As per the rules of the company applicable to Senior Executives.

(vi) Entitled to one months leave as per the rules of the company on full pay, for every 11 months of service.

Explanation : Perquisites shall be evaluated as per the Income tax rules, 1962 where applicable and in the absence of any such rules, perquisites shall be evaluated at cost.

AMENITIES :

- (i) Conveyance Facilities : Use of Company's car on Company's Business with driver. Use of car private purpose shall be billed by the company to Sri P.K. Purushothaman.
- (ii) Telephone: Free telephone at the residence for the use of company's business. Personal long distance call on telephone shall be billed by the company to Sri P.K. Purushothaman.
- (iii) Minimum Remuneration : In the event of loss or indecency of profits in any financial year during the current tenure of service of the Technical Director, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under section 11 of the part II of Schedule XIII of the Companies Act, 1956 including any statutory modification or re-enactment thereof as may for the time being in force.

The draft of the Agreement to be executed between Sri P.K. Purushothaman and the company as approved by the Board of Directors is available for inspection by the members at

the Registered office of the company on any working day except holidays observed by the company during usual business hours and will also be available at the meeting.

Sri P.K. Purushothaman may be deemed to the concerned or interest in the resolution in his re-appointment. No other Director of the company is interested in this resolution.

Item No. 7 :

"RESOLVED FURTHER THAT the Board of Directors of the Company do hereby recommend divided @ 5% on the equity share capital of the Company for the year 2008-09 and the same shall be payable, subject to the approval of the members in the Annual General Meeting, to all the members whose names appear in the register of the members on the date of Annual General Meeting."

Item No. 8 :

Smt. C. Neelima has been appointed as a Additional Director by the Board of Directors on 25-07-2009 and she holds office upto the date of Annual General Meeting. The Company has received notice from the member of the company, proposing her candidature for the office of Director with prescribed fee. The Board recommends for her appointment. Sri C. Bhagavantha Rao, other than Smt. C. Neelima may be deemed to be concerned or interested in the Resolution.

**By Order of the Board
For INCAP LIMITED**

**C.BHAGAVANTHA RAO
MANAGING DIRECTOR**

VIJAYAWADA
July 25, 2009

COMPLIANCE CERTIFICATE

Registration No : 01-011311

Paid up Capital : Rs. 4,65,32,000/-

To
The Members
Incap Limited
Vijayawada.

I have examined the registers, records, books and papers of M/s. Incap Limited as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2009. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company, being a public limited Company, the comments that are required to be given for a private company are not given.
4. The Board of Directors duly met 4 (Four) times respectively on 28.06.2008, 27.09.2008, 27.12.2008 and 21.03.2009 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 23rd September, 2008 to 27th September, 2008.
6. The Annual General Meeting for the financial year ended on 31st March, 2008 was held on 27.09.2008 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meetings were held during the financial year.
8. The Company has not advanced any loans to its Directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.

10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. The provisions of Section 314 of the Act have not been attracted and therefore no approvals were required to be taken.
12. The Company has issued duplicate share certificates to one shareholder after complying with the applicable provisions of the Articles of Association and the Companies Act.
13. The Company:
 - (i) duly delivered all certificates on lodgment thereof for transfer
 - (ii) deposited the amount of dividend in a separate Bank Account which is within five days from the date of deposit.
 - (iii) paid / posted warrants for dividend to all the members within a period of thirty days from the date of declaration of dividend and that all the unclaimed / unpaid dividend has been transferred to an unpaid dividend account.
 - (iv) there were no amounts pending in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
 - (v) duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and there was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year. However, during the year one of the directors of the company Sri Mupparaju Ramaiah expired on 26.01.2009 and therefore ceased to act as such. The form 32 for the said cessation stands filed till date.
15. At the AGM held on 27.09.2008, Sri P K Purushothaman and Sri C Bhagavantha Rao have been re-appointed as Technical Director and Managing Director respectively and the form 25C for the said re-appointment is yet to be filed with RoC.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.

19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has so far not issued any redeemable preference shares/debentures.
22. During the year under review, the Company has not declared any rights shares and bonus shares and hence the question of keeping in abeyance right to rights shares and bonus shares pending registration of transfer of shares does not arise.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The amount borrowed by the company from banks and others during the financial year ending 31st March, 2009 is within the borrowing limits of the company.
25. The investments made by the company are in compliance with the provisions of the Act and the necessary entries were made in the registers maintained for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was/were no prosecution initiated against or show cause notices received by the Company, and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

VIJAYAWADA

July 25, 2009

K NARASIMHULU

Practicing Company Secretary

CP No.: 8225

ANNEXURE 'A'

Statutory Registers maintained by the Company :

Sl. No.	Registers	U/s.
1.	Register of Members	150
2.	Register of Charges	143
3.	Minutes of the Board and General Meetings	193
4.	Register of Contracts, Companies and Firms in which Directors, etc. are interested	301
5.	Register of Directors	303
6.	Register of Directors' Shareholding	307
7.	Investments Register	372A
8.	Register of Fixed Assets	
9.	Register of Share Transfers	
10.	Attendance Register of Board and General Meetings	

ANNEXURE 'B'Forms and Returns as filed by the Company with the Registrar of Companies, Andhra Pradesh, Hyderabad during the financial year ending 31st March, 2009 :

Sl No.	Form No. / Return	Filed under Section	For	Date of filing	Whether filed with in prescribed time (yes / no)	If delay in filing whether requisite additional fee paid (yes / no)
1.	Form 23B	224	Statutory Auditor's consent to act as such for the financial year 2008-09	25.11.2008	No	NA
2.	Form DIN3	266E	Intimating DIN of Directors to RoC	27.11.2008	Yes	NA
3.	Form 23AC & ACA	220	Balance Sheet	01.12.2008	No	Yes
4.	Form 20B	159	Annual Return	13. 12.2008	No	Yes

Forms and Returns filed by the company with Regional Director, Company Law Board and Central Government during the Financial Year ending 31st March, 2009 : Nil

VIJAYAWADA

July 25, 2009

K NARASIMHULU

Practicing Company Secretary

CP No.: 8225