

NOTICE

Notice is hereby given that the **TWENTIETH GENERAL MEETING** of **INCAP LIMITED** will be held on Saturday, the 25th September, 2010 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 31-03-2010 and the Reports of the Directors and Auditors thereon.
2. To declare dividend for the year 2009-2010.
3. To appoint a Director in place of Sri K. Srinivasa Rao, who retires at this meeting and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Smt. C. Neelima, who retires at this meeting and being eligible offers herself 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 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".

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 21-09-2010 to 25-09-2010 (both days inclusive) for the purpose of payment of dividend on the equity shares of the company for the year ended 31st March, 2010.
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 25-09-2010.
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 21-09-2010.

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,
Phiroze Jeejeebhoy Towers,
Dalal Street, MUMBAI - 400 001.

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

**C.BHAGAVANTHA RAO
MANAGING DIRECTOR**

VIJAYAWADA
May 29, 2010

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 there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2010. 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 there under 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 5 (Five) times respectively on 27.06.2009, 25.07.2009, 19.9.2009, 28.12.2009 and 22.03.2010 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 15th September, 2009 to 19th September, 2009, and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March, 2009 was held on 19.09.2009, 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. One Extra Ordinary General Meeting was held on 27th January, 2010 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.
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. As there were no instance falling within the purview of Section 314 of the Act, the company is not required to take any approvals from the Board of Directors, Members of Central Government.
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) the amount lying in the unpaid dividend account, pertain to the financial year 2001-2002 is yet to be transferred 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. During the year, Mrs. Challagulla Neelima was appointed as an Additional Director w.e.f. 25.07.2009 and then regularized as Director u/s. 257 of the Act at the AGM of the company held on 19.09.2009. There were no appointments of Alternate Directors or other Directors to fill Casual Vacancies during the year. Further, Mr. Mandava Prabhakar Rao, Mr. Kommalapati Rama Koteswara Rao and Mr. Chigurupati Appa Rao ceased to be directors w.e.f. 18.02.2010, 22.12.2009 and 05.03.2010 respectively. Forms 32s for their cessation have been filed with the ROC.
15. The Company has not appointed any sole-selling agents during the financial year.
16. 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.
17. The directors have disclosed their interest in various firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
18. The Company has not issued 8,00,000 convertible warrants to Promoters of the Company on preferential allotment.

19. The Company has not bought back any shares during the financial year.
20. The Company has not issued any redeemable preference shares/debentures.
21. 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.
22. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
23. The amount borrowed by the company from banks and others during the financial year ending 31st March, 2010 is within the borrowing limits of the company.
24. 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.
25. 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.
26. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
29. The Company has not altered its Articles of Association during the financial year.
30. 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.
31. The Company has not received any money as security from its employees during the financial year.
32. 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
May 29, 2010

K NARASIMHULU
Practicing Company Secretary
CP No.: 8225

ANNEXURE 'A'

Statutory Register 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, 2010 :

Sl. No.	Form No.	Filed u/s.	Purpose	Date of filing
			Return	
1.	Form 32	303	Cessation of Sri. Mupparaju Ramaiah due to Death on 26.01.2009	29.05.2009
2.	Form 32	303	Appointment of Mrs. Challagulla Neelima as Additional Director w.e.f. 25.07.2009	10.08.2009
3.	Form 8	125	Modification of Charge due to Enhancement of limits by SBI & SBH Consortium from Rs. 680 Lakhs to Rs. 800 Lakhs	02.07.2009
4.	Form 66	383A	Compliance Certificate for the FY 2008-09	03.10.2009
5.	Form 32	303	Appointment of Mrs. Challagulla Neelima as Director at the AGM of the company held on 19.09.2009 u/s.257 of the Act .	07.10.2009

6.	Form Nos. 23AC & ACA	220	Balance Sheet for the FY 2008-09	07.10.2009
7.	Form 20B	159	Annual Return relating to the AGM held on 19.09.2009 (for the FY 2008-09)	23.10.2009
8.	Form 8	125	Modification of Charge : State Bank of Hyderabad (one of the charge holders along with State Bank of India) has given its NOC for extending a pari passu charge on Fixed Assets of the company for securing the facilities (Rs.236 Lakhs) granted by State Bank of India to M/s. Umamaheswarari Electrical Components Private Limited	30.10.2009
9.	Form DIN3	266E	Intimating DIN of Director viz. Mr. Katari Srinivasa Rao to ROC	07.11.2009
10.	Form 32	303	Cessation of Mr. Kommalapati Rama Koteswara Rao as Director due to his resignation wef 22.12.2009	30.12.2009
11.	Form 32	303	Cessation of Mr. Chigurupati Appa Rao as Director due to his resignation wef 05.03.2010	13.03.2010
12.	Form 32	303	Cessation of Mr. Mandava Prabhakar Rao as Director due to his resignation wef 18.02.2010	17.03.2010

Forms and Returns filed by the Company with Regional Director, Company Law Board and Central Government during the Financial year ending 31st March, 2010 - Nil.

Place : Vijayawada
May 29, 2010

K. Narasimhulu,
Practicing Company Secretary
CP No.: 8225

DIRECTORS' REPORT

To the Shareholders,

Your Directors have pleasure in presenting the Twentieth Annual Report on the business and operations of the Company and the Audited Accounts for the year ended 31st March, 2010 together with Auditors' Report thereon.

FINANCIAL RESULTS:

The Financial Results for the year ended 31st March, 2010 are summarized below:

	2009-2010	2008-2009
	(Rs. In Lakhs)	
Sales	1262.52	1156.47
Other Income	49.81	45.97
Total Income	1312.33	1202.44
Total Expenditure	1159.64	1069.15
Profit before Interest, Depn. & Tax	152.69	133.29
Interest	39.32	36.05
Profit before Depn. & Tax	113.37	97.24
Depreciation	60.44	59.03
Profit before Tax	52.93	38.21
Provision for Tax	25.07	31.58
Add : Deferred Tax Liability (Net)	4.64	16.46
	32.50	23.09
Profit after Tax	—	4.50
Add: Transfer from General Reserve	—	—
Add: Brought forward from previous year	0.59	0.22
	33.09	27.81
Appropriations :		
Provision for Dividend	27.92	23.27
Tax on Dividend	4.64	3.95
Surplus Carried to Balance Sheet	0.53	23.31

DIVIDEND :

The Board of Director's recommend for your consideration a dividend on equity shares at 6% (Rs.0.60 per equity share) for the year ended 31st March, 2010. The Total amount of outgo on account of these will be Rs. 27.92 lakhs towards dividend and Rs.4.64 lakhs towards tax on dividend.

OPERATIONS :

The market demand for the Company's product has shown substantial growth during the year 2009-2010 and continues to be good. There has been improvement in the sales volume compared to the previous year. Your Company's value of Sales increased to Rs. 1262 Lakhs from Rs. 1156 lakhs for the previous year indicate a growth of 8% inspite of severe pressure on price front, your company made a net profit of Rs. 32.50 lakhs during the year.

FUTURE OUTLOOK :

The electronic component industry is facing severe competition from imports as well as Indian manufacturers. However, given the continued support, your company product enjoy support from the key customers and confident of doing higher turnover in the coming years. In addition to that, there is a steep fall in rupee value against dollar resulting in negative impact on bottom line.

As the situation necessitates to Amalgamate M/s. Incap Insulators Pvt. Ltd. (Formerly known as M/s. Umamaheswari Electrical Components Pvt. Ltd.) who are in the line of manufacturing Silicon Rubber Insulators (Electrical Component). The company was incorporated on 11th October, 2005 and name has been changed on 10.11.2009.

DEPOSITS :

The company has not accepted any deposits from the public during the year under review.

INSURANCE :

All the properties of your company including its buildings, Plant & Machinery and stocks have been adequately insured.

QUALITY SYSTEM :

Your Company's Certificate for quality system under ISO 9001 : 2008 from STQC Certification Services, New Delhi continues to be valid.

CORPORATE GOVERNANCE :

The Company has complied with all mandatory provisions of Corporate Governance as prescribed under Clause 49 of the Listing Agreement. A report on Corporate Governance, along with the certificate on its compliance from the Auditors forms part of this report.

DISCLOSURE AS PER LISTING AGREEMENT:

Clause 32 :

The Cash Flow Statement in accordance with Accounting Standard and Cash Flow Statement (AS-3) issued by ICAI is appended to this Annual Report.

Clause 43 A:

The Company's shares are listed on Bombay Stock Exchange, Mumbai (BSE), P.J.Towers, Dalal Street, Fort, Mumbai. The annual listing fee to BSE for the year 2009-2010 has been paid.

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors, to the best of their knowledge and belief, state that the Company maintains proper accounting records which disclose with reasonable accuracy, the financial position of the Company.

Further your Directors state that these accounting records have formed the basis in the preparation of financial statements of the company in compliance with the provisions of the Companies Act, 1956, including any amendments thereto.

Your Directors also confirm compliance that the financial statements of the Company are prepared in such manner to give a true and fair view of the state of affairs of the Company as at the end of 31st March, 2010 and of the profit of the Company for the year to that date.

Your Directors state that in preparing the aforesaid financial statements of the Company, appropriate accounting policies have been consistently applied and supported by reasonable and prudent judgments and estimates, whilst applicable accounting standards have been followed and that these financial statements have been prepared on going-concern basis.

Further, your Directors to the best of their knowledge and belief, state that appropriate internal control systems are in place which are reasonably expected to safeguard the assets of the Company and to prevent and detect fraud and irregularities.

CONSERVATION OF ENERGY :

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. Your Company continues its efforts to conserve energy wherever practicable by economizing on the use of power through better utilization of equipment and proper production planning.

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.

TECHNOLOGICAL ABSORPTION :

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

FOREIGN EXCHANGE EARNINGS AND OUTGO :

(Rs. In Lakhs)		
	Current Year	Previous Year
a) Foreign Exchange earnings on exports	NIL	NIL
Foreign Exchange used on account of :		
(i) Value of imports of :		
Raw materials & Stores	813.14	813.76
(ii) Capital Goods	NIL	NIL
(iii) Foreign Travel	NIL	NIL

AUDITORS :

M/s. Umamaheswara Rao & Company, Chartered Accountants, Statutory Auditors of the company retire at the conclusion of the ensuing AGM. Your Board recommends the appointment of M/s. Purnachandra Rao & Co., who has served the company from 1992 to 2009 as Statutory Auditors for the financial year 2010-11. M/s. Purnachandra Rao & Co., holds a Certificate from the Peer Review Board of the Institute of Chartered Accountants of India.

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. 24,00,000 or more per annum, or Rs. 2,00,000 or more per month where employed for a part of the year.

INDUSTRIAL RELATIONS :

Your Company has had harmonious industrial relations throughout the year under review at all levels of the organization, and would Endeavour to maintain this cordial relationship.

DIRECTORS :

Yours Directors take this opportunity to record their appreciation for the valuable guidance and service received from Sri M.Prabhakar Rao, Sri K.Ramakoteswara Rao and Sri Ch.Appa Rao during their tenure as the Directors of the Company.

ACKNOWLEDGEMENTS :

Your Directors wish 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 co-operation 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

C.BHAGAVANTHA RAO
MANAGING DIRECTOR

VIJAYAWADA,
May 29, 2010

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of INCAP LIMITED

We have examined the compliance conditions of corporate governance by INCAP LIMITED, for the year ended on 31st March 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance(s) is/are pending for a period exceeding for one month against the Company as per the records maintained by the Shareholders / Investors Grievance committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **UMAMAHESWARA RAO & CO.,**
Chartered Accountants,
Firm Regn No. 044535

(CA. A. SIVA PRASAD)
Partner
M.No. 213675

VIJAYAWADA
May 29, 2010

CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE :

Corporate Governance refers to the combination of voluntary practices and compliance's with laws and regulations leading to effective control and management of the organization. The fundamental objective of Incap's Corporate Governance is "enhancement of the long-term shareholder value at the same time protecting the interests of other shareholders." Corporate Governance brings into focus the fiduciary and trusteeship role of the Board to align and direct the action of the organization towards creating a wealth and shareholder value.

2. BOARD OF DIRECTORS AND MEETING :

(i) Board of Directors :

The present strength of the Board of Directors is 5 (Excluding APIDC Nominee) and is responsible for the Management of the Company's business. The functions, responsibility, role and accountability of the Board are well defined. The Board in addition to monitoring corporate performance also carries out functions such as approving the business plan, reviewing and approving the annual budgets and borrowing limits and ensure that your Company keeps shareholders informed about plans, strategies and performance. The detail report of the Company's performance are periodically placed before the Board. The Board consists of 2 Executive Directors and 3 non-Executive, Independent Directors.

Promoter / Executive Directors

Sri C. Bhagavantha Rao
Sri P. K. Purushothaman

Managing Director
Technical Director

Non-Executive and Independent Directors

Sri P. Ram Rao
Sri K. Srinivasa Rao
Smt. C. Neelima

(ii) Board Meetings :

During 2009-2010, the Board of Directors met 5 times on the following dates :

Sl.No.	Date of Board Meeting
1.	27-06-2009
2.	25-07-2009
3.	19-09-2009
4.	28-12-2009
5.	22-03-2010

(iii) The details of Attendance of each Director at the Board Meetings, Last Annual General Meeting are as follows :

Name of the Director	Attendance Particulars	
	Board Meeting	Last AGM
Sri M. Prabhakar Rao	1	NO
Sri C. Bhagavantha Rao	5	YES
Sri P. K. Purushothaman	5	YES
Sri P. Ram Rao	1	NO
Sri K. Ramakoteswara Rao	1	NO
Sri K. Srinivasa Rao	4	YES
Sri Ch. Appa Rao	1	NO
Sri P. Rajeswara Rao	1	NO
Smt. C. Neelima	3	Yes

3. AUDIT COMMITTEE :

The Audit Committee consisting of 4 Non-Executive independent Directors with Sri K.Srinivasa Rao as Chairman, and Smt. C. Neelima, Sri P. Ram Rao and Sri P. K. Purushothaman as other member was formed with the role and responsibilities as per Clause 49 of the Listing Agreement. The Audit Committee met Four times during the year 2009-2010. While Sri K. Srinivasa Rao, Sri P. K. Purushothaman attended all meetings, Smt. Neelima attended for 2 meetings and Sri P. Ram Rao attended for one meeting during the year.

4. REMUNERATION OF DIRECTORS :

Since the Company does not have remuneration committee (Constitution of which is a non-mandatory reenforcement), the details pertaining to the same is not provided.

The Company does not remunerate the Non-Executive Directors of the Company except for the payment of sitting fees for attending each Meeting of the Board of Committee thereof. Remuneration to Executive Directors is fixed by the Board and approved by shareholder at the Annual General Meeting. Particulars of their remuneration for the year ended 31st March 2010 are given below:

Name of the Director	Remuneration				
	Sitting Fees	Salary	Perquisites	Commission	Total
Executive Director :					
Sri C. Bhagavantha Rao	Nil	600000	171000	Nil	771000
Sri P. K. Purushothaman	Nil	440400	110100	Nil	550500
Non-Executive Directors :					
Sri M. Prabhakar Rao	2000	Nil	Nil	Nil	2000
Sri K. Ramakoteswara Rao	2000	Nil	Nil	Nil	2000
Sri P. Ram Rao	2000	Nil	Nil	Nil	2000
Sri K. Srinivasa Rao	Nil	Nil	Nil	Nil	Nil
Sri P. Rajeswara Rao	2000	Nil	Nil	Nil	2000
Sri Ch. Appa Rao	2000	Nil	Nil	Nil	2000

5. SHAREHOLDER'S GRIEVANCE COMMITTEE :

The Board constituted Shareholders Grievance committee consisting of 4 Directors with Sri C. Bhagavantha Rao as Chairman and Smt. C. Neelima, Sri P.K. Purushothaman and Sri K. Srinivas Rao as members to deal with complaints regarding transfer / transmission of shares, non-receipt of certificates, dividend, annual reports and such other matters.

During the year the Company has received two complaints and all have been resolved and no-complaint was pending as at 31-03-2010.

6. GENERAL BODY MEETINGS :

Details of venue and time of last 3 Annual General Meetings are as under:

Financial Year : 2006-2007

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

Date : 25-08-2007

Time : 12-00 noon

Financial Year : 2007-2008

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

Date : 27-09-2008

Time : 12-00 Noon

Financial Year : 2008-2009

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

Date : 19-09-2009

Time : 12-00 noon

No special resolution were required to be put through postal ballot at the above meetings.

7. DISCLOSURES :

There are no materially significant related party transactions made by the Company with its promoters, directors or the management, their relative conflicting with company's interest.

No penalty or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

8. MEANS OF COMMUNICATION :

The quarterly, half yearly and annual results of the Company in the prescribed proforma are published in the following News Papers.

1. Business Line (English)
2. Andhra Bhoomi (Regional Language)

There is no practice of sending half yearly results to the household of shareholders.

9. GENERAL SHARE HOLDERS' INFORMATION :

- i) Annual General Meeting : 25th September, 2010
 Venue : Registered Office, 1-58, Nidamanur, Vijayawada-521 104.
- ii) Financial Calendar : The Company follows April to March as its financial year. The results of every quarter are declared in the month following the quarter, as per the provision of Listing Agreement.
- iii) Date of Book Closure : 21st September, 2010 to 25th September, 2010 (Both days inclusive)
- iv) Dividend Payment date : As required under the Companies Act, 1956.

V) Dividend History

Year	Total Amount of Dividend paid Rs.	Date of AGM in which Dividend was Declared	Date of payment	Unclaimed dividend as on 31-03-2010 Rs.
2001-2002	46,53,200	21.09.2002	19.10.2002	160326/-
2002-2003	46,53,200	23.08.2003	15.09.2003	148320/-
2003-2004	46,53,200	28.08.2004	15.09.2004	153151/-
2004-2005	46,53,200	27.08.2005	22.09.2005	164666/-
2005-2006	46,53,200	02.08.2006	21.08.2006	193157/-
2006-2007	46,53,200	25.08.2007	13.09.2007	197244/-
2007-2008	46,53,200	27.09.2008	16.10.2008	232926/-
2008-2009	23,26,600	19.09.2009	14.10.2009	147664/-

vi) Listing on Stock Exchanges : Bombay Stock Exchange, Mumbai

vii) Company Stock Code : BSE - 517370

viii) Stock Market Data : The monthly high and low quotations of Company's shares at Bombay Stock Exchange (BSE) during the year under review are as under :

Month	High (Rs.)	Low (Rs.)
April - 2009	13.50	10.41
May - 2009	14.20	11.30
June - 2009	15.75	11.16
July - 2009	12.90	10.40
Aug - 2009	14.50	11.31
Sept - 2009	15.34	11.30
Oct - 2009	14.40	11.51
Nov - 2009	14.50	9.67
Dec - 2009	16.31	11.77
Jan - 2010	18.24	13.00
Feb - 2010	15.90	13.00
Mar - 2010	15.30	10.82

ix) Register and Share Transfer Agents : M/s. Venture Capital and Corporate Investments Pvt Limited, 12-10-167, Bharat Nagar, Hyderabad - 500 018.

x) Share Transfer System : Transfer of Securities in physical form are registered and, duly transferred share certificates are despatched within 30 days of receipt, provided the documents are in order.

With while regards to Shares in demat mode, the procedure is adopted as per the provisions of Depositories Act, 1996.

xi) Distribution of Shareholding :

Number of Shares held	Number of Shareholders	Percentage of Shareholders	Paid-up value of Shares held (Rs.)	Percentage to Total Paid-up Capital
Upto 5000	2897	85.99	4988270	10.72
5001 - 10000	248	7.36	2141390	4.60
10001-20000	106	3.14	1703500	3.66
20001-30000	30	0.89	773040	1.66
30001-40000	21	0.62	730660	1.66
40001-50000	18	0.53	863650	1.57
50001-100000	19	0.56	1448120	3.11
100001 and above	30	0.89	33883370	72.81
TOTAL	3369	100.00	46532000	100.00

xii) Dematerialisation of Shares

& Liquidity : As on 31st March, 2010, 92.17% (42,89,060 Equity shares) of paid up capital have been dematerialised

xiii) The company has not issued any GDRs / ADRs/ Warrants or any convertible instruments.

xiv) Plant Locations : 1-58, Nidamanur, Vijayawada-521 104,
N.H.5 Road, Krishna District, A.P.

xv) Address for Correspondence : All Shareholders complaints / queries in respect of their shareholding may be addressed to :
INCAP LIMITED, 1-58, Nidamanur, Vijayawada-521 104.
E-mail : investorsincap@gmail.com
Ph : 0866 - 2842479, 571
Fax : 0866 - 2842572

For and on behalf of the Board

VIJAYAWADA
May 29, 2010

C. BHAGAVANTHA RAO
Managing Director

AUDITORS' REPORT

TO THE MEMBERS OF INCAP LIMITED

1. We, Umamaheswara Rao & Co., Chartered Accountants, have audited the attached Balance Sheet of INCAP LIMITED, as at March 31, 2010 the Profit and Loss Account for the year ending on that date and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the companies (Auditor's Report) order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of accounts as required by law, have been kept by the company, so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
5. On the basis of written representations received from the directors, as on 31st March 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and notes thereon give the information required by the Companies act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - b) In the case of Profit and Loss Account, of the profit for the year ended on that date; and
 - c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For UMAMAHESWARA RAO & CO.,
Chartered Accountants
Firm Regn. No. 044535

(CA. A. SIVA PRASAD)
Partner
M.No. 213675

VIJAYAWADA
May 29, 2010

ANNEXURE TO AUDITOR'S REPORT OF EVEN DATE

Referred to in paragraph 3 of our report of even date to the members of Incap Limited on the Financial Statements for the year ended 31st March, 2010.

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets;
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification;
- (c) In our opinion and according to the Information and explanations given to us, no substantial part of fixed assets have not been disposed off by the Company during the year.
- ii. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii. (a) The Company has granted interest free unsecured loan to its subsidiary company covered in the register maintained under section 301 of the Companies Act, 1956 and maximum amount involved during the year was Rs.79,95,195/- and the year end balance of loan given to such company was Rs.79,95,195/-.
- (b) The terms and conditions on which interest free loan has been given to company listed in the register maintained under section 301 of the Companies Act, 1956 are not prima-facie prejudicial to the interest of the company
- (c) There are no terms and conditions attached as to the repayment of principal on unsecured interest free loan given to subsidiary company. Hence, clause Nos.(iii)(c) and (iii)(d) are not applicable.
- (d) The company has not taken any loans secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act. Hence Clause No's (iii)(e),(iii)(f) and (iii)(g) are not applicable
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its

business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

- v. According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the Register required to be maintained under that section.
- vi. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii. The Central Government has not prescribed the maintenance of cost records for any of the products of the company under Section 209(1) (d) of the Companies Act, 1956.
- ix. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income tax, Sales tax, Customs duty, Excise duty, Service tax, Cess and other material statutory dues applicable to it.
- (b) According to the information and explanation given to us, there are no dues of Sales tax, Service tax, Income tax, Customs duty and Excise duty which have not been deposited on account of any dispute.
- x. The Company has not accumulated losses as at 31st March, 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to the Bank.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the company is not a chitfund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
- xiv. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the companies (Auditor's Report) order, 2003 are not applicable to the company.
- xv. In our opinion, and according to the information and explanations given to us, the Company has given a Corporate guarantee for loans taken by Incap Insulators Pvt. Ltd., Subsidiary Company, from State Bank of India during the year.