

BOARD OF DIRECTORS

Sri C. Bhagavantha Rao

Managing Director

Sri P. Rajeswara Rao

APIDC Nominee

Sri P. Ram Rao

Director

Smt. C. Neelima

Whole-Time Director

AUDITORS

M/s. Purnachandra Rao & Co.,
Chartered Accountants
"Sivalayam Street,
Gowrisankarapuram,
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 : vwincap@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
Email : info@vccilindia.com

NOTICE

Notice is hereby given that the **TWENTY FIRST ANNUAL GENERAL MEETING** of **INCAP LIMITED** will be held on Saturday, the 24th day September, 2011 at 12-00 NOON at the Registered Office of the Company situated 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 31st March, 2011 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sri P. Ram Rao, who retires at this meeting and being eligible offers himself for re-appointment.
3. To consider, and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT the Statutory Auditors, M/s. Purnachandra Rao & Co., Chartered Accountants, be and are hereby re-appointed as Statutory 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

4. 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, 198, 311 and other applicable provisions, if any, of the Companies Act, 1956,

consent of the Members be and are hereby accorded for the re-appointment of Sri C. Bhagavantha Rao as a "Managing Director" of the company for a period of three years with effect from 01st February, 2011 on terms and conditions including remuneration set out in the explanatory statement annexed to the notice, agreed by the company with him, submitted to the meeting and the same is hereby approved by the Board of Directors in their meeting held on 01st day of February, 2011.

5. To consider and if thought fit, to pass, with or without modifications(s), the following Resolution as an **Ordinary Resolution** :

"RESOLVED THAT pursuant to the provisions of sections 269, 198, 309, and other applicable provisions, if any, of the Companies Act, 1956, consent of the Members be and are hereby accorded for the appointment of Smt. C. Neelima as a Whole-time-Director of the company for a period of three years with effect from 30th May, 2011 on terms and conditions including remuneration set out in the explanatory statement annexed to the notice, agreed by the company with her, submitted to the meeting and the same is hereby approved by the Board of Directors in their meeting held on 30th day of May, 2011.

**By Order of the Board
For Incap Limited**

Sd/-

**C. BHAGAVANTHA RAO
Managing Director**

VIJAYAWADA
May 30, 2011

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 20th September, 2011 to 24th September, 2011 (both days inclusive) for the purpose of Annual General Body meeting for the year ended 31st March, 2011.
3. 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.
4. 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.
5. 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.
6. 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 DPID and Client ID Number.
7. 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.
8. Members holding shares 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.
9. 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.
10. Members are requested to send all communications relating to Shares to the

Company's transfer at the following address :

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

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

12. 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.

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

Item No.4 :

The Board of Directors of the company in their meeting held on 1st February, 2011 re-appointed Sri C. Bhagavantha Rao as Managing Director of the Company, Subject to approval of the share holder of the General Meeting. The terms and conditions on which Sri. C. Bhagavantha Rao has been re-appointed as a Managing Director of the Company shall contain the following remuneration which shall be within overall ceiling as specified in schedule XIII of the Companies Act, 1956.

1. The Managing Director shall, subject to the supervision and control of the Board of Directors of the Company, manage the business and affairs of the company.
2. Period of Appoinment : Three years with effect from 01-02-2011.
3. Remuneration Payable : With effect from 01-02-2011.

Salary : ₹ 50,000/- per month (Rupees Fifty thousand only)

Perquisites :

PART - A :

1. Housing :-
 - a. Housing - I : The expenditure by the company on hiring unfurnished accommodations will be subject to a ceiling of 25% of salary, over and above 10% payable by Sri C.Bhagavantha Rao.
 - b. Housing - II : In case accommodation is owned by the company, 10% of the salary of Sri C.Bhagavantha Rao shall be deducted by the Company.
 - c. Housing - III : In case no accommodation is provided by the company, Sri C.Bhagavantha Rao shall be entitled to house rent allowance subject to the ceiling laid down in Housing - I.

The expenditure incurred on gas, electricity, water and furnishing will be as per the Income Tax Rules, 1962. This will however be subject to a ceiling of ₹ 5,000/- per month.

2. Medical reimbursement : Expenses incurred for self and family subject to a ceiling of one month's salary in year or 3 month's salary over a period of 3 years.
3. Leave Travel Concession : For self and family once in a year in accordance with any rules specified by the company.
4. Club Fees : Fees of clubs subject to a maximum of one club, admission and life membership fees not being allowed.
5. Personnel Acciedent Insurance : Premium not to exceed ₹ 1000/- per annum.
6. Entertainment Expenses : Reimbursement of entertainment expenses not exceeding ₹ 1000/- per month.

PART - B :

Contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax, 1961. Gratuity will be limited to half-a-month's salary for each completed year of service.

PART - C :

Provision of car with driver and telephone at residence. Personal long distance call on telephone and use of car for private purpose shall be billed by the company to Sri C.Bhagavantha Rao.

Provided that if any financial year, during the tenure of the Managing Director, the company has no profits or its profits are inadequate, it may pay Sri C.Bhagavantha Rao remuneration by way of salary and perquisites not exceeding the limits specified above.

Your directors recommended the resolution for approval.

None of the Directors of the Company except Sri C.Bhagavantha Rao is concerned with or interested in the resolution.

Item No.5 :

The Board of Directors of the Company in their meeting held on 30th May, 2011 appointed Smt. C.Neelima as a Whole-time-Director of the Company, subject to approval of the shareholders of the General Meeting. The terms and conditions on which Smt. C.Neelima has been appointed as the Director of the company shall contain the following remuneration which shall be within overall ceiling as specified in Schedule XIII of the Companies Act, 1956.

1. The Whole-time-Director shall, subject to the supervision and control of the Board of Directors of the company/Managing Director of the Company and shall manage the business and affairs of the company.

2. Period of Appointment : Three years with effect from 30-05-2011.

3. Remuneration payable : With effect from 30.05.2011.

Salary : ₹ 30,000/- per month
(Rupees Thirty thousand only)

H.R.A. : ₹ 10,000/- per month

Conveyance : ₹ 10,000/- per month

4. Contribution to Provident Fund, Super annuation and Annuity Fund : The Companies contribution to provident fund and superannuation or Annuity fund as per rules of the company applicable to Senior Executives.

5. Gratuity : As per the rules of the company applicable to Senior Executives.

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. Minimum Remuneration : In the event of loss or indelicacy of profits in any financial year during the current tenure of service of the 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 Smt. C.Neelima 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.

Smt. C.Neelima may be deemed to the concerned or interest in the resolution in her appointment. No other Director of the company is interest in the resolution.

**By Order of the Board
For INCAP LIMITED
Sd/-**

**C.BHAGAVANTHA RAO
MANAGING DIRECTOR**

VIJAYAWADA
May 30, 2011

COMPLIANCE CERTIFICATE

Registration No : 011311

Authorized Capital : ₹ 6,00,00,000/-

Issued Capital : ₹ 5,20,00,000/-

Subscribed Capital : ₹ 5,16,96,000/-

Paid up Capital : ₹ 4,65,32,000/-

CIN : L32101 AP1990PLC011311

To

The Members

Incap Limited

I have examined the Registers, Records, Books and Papers of M/s. INCAP LIMITED as required to be maintained under the Companies Act, 1956 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, 2011**. 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 of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies, Central Government and Regional Director.
3. The Company, being a public limited Company, has the minimum prescribed paid-up capital and no comments are required.
4. The Board of Directors duly met 6 (Six) times respectively on 29-05-2010, 28-08-2010, 30-09-2010, 28-12-2010, 01-02-2011 and 26-03-2011 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 has closed its Register of Members from 21st September, 2010 to 25th September, 2010 (both days inclusive) for the purpose of 20th Annual General Meeting held on 25th September, 2010 and complied with the provisions of the Act.
6. The Annual General Meeting for the financial year ended on 31st March, 2010 was held on 25th September 2010 after giving due notice to the members of the Company. All the resolutions passed thereat were duly recorded in the minutes book maintained for the purpose.
7. No Extra Ordinary General Meeting were held during the financial year under review.

8. Based on representations, The Company has not advanced any loans to its Directors and / or the persons or firms or companies falling within the purview of Section 295 of the Act during the financial year under review.
9. Based on the representations, the Company has not entered into any contracts falling within the purview of Section 297 of the Act during the financial year under review.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. Based on the representations, there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate share certificates during the Financial Year under review.
13. The Company has :
 - (i) duly delivered all certificates on lodgment thereof for transfer
 - (ii) deposited the amount of dividend declared in the AGM held on 25th September, 2010 in a separate bank account on 29th September, 2010 which is within five days from the date of declaration of such dividend.
 - (iii) Paid / posted warrants for dividend to all the members within a period of 30 (thirty) days from the date of declaration and that all the unclaimed / unpaid dividend has been transferred to Unpaid Dividend Account of the Company with IDBI Bank.
 - (iv) Transferred the amount in unpaid dividend account and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
 - (v) The Company has duly complied with requirements of Section 217 of the Act for the financial year under review.
14. The Board of Directors of the Company is duly constituted, following changes took place during the financial year under review, except following, there were no other appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year under review.
 - i. Sri K. Srinivasa Rao and Smt. C. Neelima, Directors of the Company were liable to retire by rotation and Smt. C. Neelima re-appointed as Director in the 20th Annual General Meeting held on 25th September, 2010 and Sri K. Srinivasa Rao ceased to be Director of the Company with effective from 02nd July, 2010 due to unfortunate death, corresponding Eform No.32 was filed with Registrar of Companies, Andhra Pradesh.

- ii. Sri Purushothaman Puthilom Kunnath resigned from the office of the Whole Time Director of the Company with effect from 5th August, 2010, corresponding Eform No. 32 was filed with Registrar of Companies, Andhra Pradesh.
- 15. The Company has re-appointed Sri C. Bhagavantha Rao as Managing Director of the Company w.e.f. 01st February, 2011, during the financial year under review.
- 16. The Company has not appointed any sole-selling agents during the financial year under review.
- 17. Based on the representations, Company obtained order from the Honourable **High Court of Andhra Pradesh for Amalgamation** of its wholly owned subsidiary i.e. M/s. Incap Insulators Private Limited with the Company and other than this, there were no instances requiring the Company to obtain approval from the Central Government, Company Law Board, Regional Director, Registrar and/or such other authorities as may be prescribed under the various provisions of the Act during the financial year under review.
- 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 under review.
- 20. The Company has not bought back any shares during the financial year under review.
- 21. There was no redemption of Preference Shares / Debentures during the financial year under review as company has not issued any preference shares or debentures.
- 22. There were no transaction necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
- 23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of the section 58A during the financial year under review.
- 24. The amounts borrowed by the Company are within the borrowing limits of the Company.
- 25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporates and consequently no entries have been made in the register kept for this purpose during the financial year under review.
- 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 financial year under review.
- 27. The Company has not altered the provisions of the Memorandum with respect to the objects of the company during the financial year under review.

28. The Company has not altered the provisions of the memorandum with respect to name of the company during the financial year under review.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the company during the financial year under review.
30. The Company has not altered its Articles of Association during the financial year under review.
31. As per the information given by the officers of the Company, there were no prosecutions initiated against or show cause notices received by the company during the year under review 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 not constituted a separate provident fund trust for its employees or class of its employees as contemplated under Section 418 of the Act.

VIJAYAWADA
May 30, 2011

Sd/-
B.L. CHANDRASEKHAR SARMA
Practicing Company Secretary
CP No.: 8199

ANNEXURE 'A'

Statutory Registers as maintained by the Company :

SLNo.	Registers	U/s.
1.	Register of Directors	303
2.	Register of Directors' Shareholding	307
3.	Register of Members	150
4.	Minutes of Board Meetings	193
5.	Minutes of Annual and Extra-Ordinary General Meetings	193
6.	Register of Contracts, firms and Companies in which Directors are interested	301(3)
7.	Register of Investments	
8.	Register of Charges	143
9.	Register of Share transfer	

ANNEXURE 'B'

Following Forms and Returns filed by the Company with Registrar of Companies, Hyderabad, Andhra Pradesh during the Financial Year ending on 31st March 2011

Sl. No.	Forms Return	Section	Purpose	Remarks
1.	Form 8	135	Modification of Charge	Filed with Additional Fee on 18/09/2010
2.	Form 32	303(2)	Resignation of Director	Filed with Additional Fee on 23/09/2010
3.	Form 32	303(2)	Cessation of Director	Filed with Additional Fee on 23/09/2010
4.	Form 66	125	Compliance Certificate for the year ended 31 st March, 2010	Filed with Additional Fee on 23/11/2010
5.	Form 23 AC & 23 ACA	220	Balance sheet as at 31 st March, 2010	Filed with Additional fee on 23/11/2010
6.	Form 20B	159	Annual Return as 30 th September, 2010	Filed with Additional fee on 23/11/2010
7.	Form 1	Rule 3	Amounts credited to Investor Education and Protection Fund	Filed on 04/02/2011
8.	Form 21	394(1)	Order of High Court for Amalgamation	Filed with Normal fee on 10/02/2011
9.	Form 1	Rule 3	Amounts credited to Investor Education and protection Fund	Filed on 22/03/2011

2. Forms and Returns as filed by the Company with Regional Director, Central Government or other authorities during the Financial Year ending **31st March 2011** : NIL

Sd/-

VIJAYAWADA
May 30, 2011

B.L. CHANDRASEKHAR SARMA
Practicing Company Secretary
CP No.: 8199