

INCAP LIMITED

BOARD OF DIRECTORS

Sri. C.Bhagavantha Rao
Smt. Anita Rajendra, I.A.S.
Smt. C.Neelima
Sri. P.Ram Rao
Smt.P.Himabindu

Managing Director
APIDC Nominee Director
Whole-time Director
Director
Director

AUDITORS

M/s.Purnachandra Rao & Co.,
Chartered Accountants,
Sivalayam Street,
Gowrisankarapuram,
GUDIWADA – 521301

BANKERS

State Bank of India,
Patamata Branch,
VIJAYAWADA – 520007.

State Bank of Hyderabad,
Governorpet,
VIJAYAWADA – 520002

COST AUDITORS :

M/s K.S.V.Subbarao & Associates,
Cost Accountants,
411 , Raghava Ratna Towers , Abids
HYDERABAD- 500 001

REGISTERED OFFICE & FACTORY

INCAP LIMITED

1-58, Nidamanuru
VIJAYAWADA – 521104.
Krishna District,
Andhra Pradesh.

Tel : 91-866-2842479, 2842571, 2841147
Fax : 91-866-2842572
Email : vjwincap@bsnl.in
URL : www.incaplimited.com

REGISTRARS & SHARETRANSFER AGENTS (PHYSICAL & DEMAT):

M/s. VENTURE CAPITAL & CORPORATE INVESTMENTS PRIVATE LIMITED

12-10-167, Bharat Nagar,
HYDERABAD – 500 018.

Tel : 91-040-23818475, 476
Fax : 91-040-23868024
Email : info@vccilindia.com

INCAP LIMITED

NOTICE

Notice is hereby given that the **TWENTY THIRD ANNUAL GENERAL MEETING** of **INCAP LIMITED** will be held on Saturday, the 28th September, 2013 at 12.00 Noon at the Registered Office of the Company at 1-58, Nidamanuru, Vijayawada – 521104, to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March, 2013 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Smt. C.Neelima who retires at this meeting and being eligible offers herself for re-appointment.
3. To Consider, and if thought fit, to pass with or without modification(s), 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. **Appointment of Smt. P.Himabindu as Director of the Company:**

To Consider, and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT Smt.P.Himabindu, who was appointed by the Board of Directors as an Additional Director of the company on 17th June, 2013 and who holds office until the date of this AGM pursuant to Section 260 of the Companies, Act, 1956, and in respect of whom the Company has received a notice in writing from a member under the provisions of Section 257 of the Companies Act, 1956 proposing her candidature for the office of a Director, be and is hereby appointed as a Director, liable to retire by rotation.”

5. **Alteration of Main Objects Clause of the Memorandum of Association:**

To Consider, and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provision of Section 16 & 17 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the consent of Central Government, Clause III (A) of the Memorandum of Association of the company pertaining to the Main Objects be and is hereby amended by inserting the new Sub Clause No.5 after the existing Sub Clause No.4 which shall read as follows:

5. To carry on the business of real estate agents, brokers, advisers, engineers, developers, valuers, builders, contractors of commercial, residential and industrial complexes, flats, lodging houses, hotels, office complexes, clubs, godowns, cinema houses, industrial estates, light houses, power houses, Farm houses, landscapes, canals, wharfs, docks, embankments, reclamations,

electrical works, water works, shops and such other for whatever use and act as contractors, Transmission EPC Contractors, dealers, manufacturers, suppliers, fabricators, of all kinds of building and erections materials, tools, implements, machinery and metal ware in connection therewith or incidental thereto and to promote, build, develop, maintain, operate, repair, reconstruct and to engage in the business of constructions, contracts, building, erection, development, promotion of buildings, towers, flats, plots, roads, bridges, machines and all other types of civil structures in India or outside India and as manufactures of pre-fabricated and pre-cast houses, buildings and erections and materials, tools, implements, machinery and metal ware in connection therewith and to carry on the business of Power Plant Constructions, civil engineers, architects, surveyors, designers, town planners, estimators, valuers, interior exterior decorators, general and government civil contractors of immovable properties including building highways, roads, earth ways, bridges, tunnels, water ways, seaports, in general and under BOT systems and all types of structural and engineering work, interior designing and graphics.

“RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby authorized to do all such acts and deeds as may be required to give effect to the resolution.”

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND

VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND PROXY NEED NOT BE A MEMBER. PROXIED 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 23rd September, 2013 to 27th September 2013 (Both days inclusive) for the purpose of Annual General Body meeting for the year ended 31st March, 2013.
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 at least 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 /

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folio numbers and in case their shares are held the dematerialized form, they must quote their DP ID and Client ID Number.

7. Investors/Shareholders 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 advise 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/ shareholders 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 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.
9. All documents referred to 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 01-00 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, Bharat Nagar, Hyderabad – 500018.

Phone : 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.

Bombay Stock Exchange Limited, Floor 25,
P.J. Tower, Dalal Street, Mumbai – 400001.

By Order of the Board
For INCAP LIMITED

VIJAYAWADA
30th July, 2013

C.BHAGAVANTHA RAO
MANAGING DIRECTOR

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

Item No.4

The Board of Directors ('the Board') appointed Smt. P.Himabindu as an Additional Director of the Company on 17th June, 2013, pursuant to Section 260 of the Act. Under Section 260 of the Act, Smt. P.Himabindu ceases to hold office at this Annual General Meeting but is eligible for appointment as a Director. Notice under Section 257 of the Act has been received from a Member signifying her intention to propose Smt. P.Himabindu appointment as a Director. Smt. P.Himabindu holds a Bachelor of Technology (B.Tech) and she has 2 years experience in the Software and Engineering Sectors.

The Board considers it desirable that the Company should continue to avail of the services of Smt. P.Himabindu and accordingly commends the Resolution at Item No. 4 for approval by the Members.

None of the Directors are concerned or interested in the resolution, except Smt. P.Himabindu in Item No .4 of the notice.

Item No.5

The Company is at present engaged in the manufacture of Insulators and Capacitors. The Board of Directors of the Company would like diversify/expand the activities of the Company connected with the Infrastructure and allied activities. At present, Infrastructure in the State and in and around of Vijayawada seems to be talk of the day for different reasons and Company expecting a major demand in the coming days in this place and in this sector. Therefore, your Board of Directors have conducted a feasibility study in this sector and resolved to enter and avail the growth opportunities and derive maximum benefit for shareholders.

The present main objects clause of the Memorandum of Association of the Company is not covering the areas, which may be considered in future by the Company for diversification, etc. Hence it is desirable to amend suitably the existing Main Object Clause of the Memorandum of Association of the Company, as fully detailed in the resolution. The amendment shall effective upon the registration of the resolution with the Registrar of Companies.

The draft copy of the Memorandum of Association of the Company is available for inspection at the Registered Office of the Company on any working day during business hours.

The Board recommends the adoption of the special resolution.

None of the directors of the Company are concerned or interested in the resolution.

By Order of the Board
For INCAP LIMITED

VIJAYAWADA
30th July, 2013

C.BHAGAVANTHA RAO
MANAGING DIRECTOR

**DIRECTORS RETIRING BY ROTATION SEEKING RE-ELECTION AND APPOINTMENT OF
DIRECTORS AT THIS ANNUAL GENERAL MEETING:**

Particulars	Smt. Neelima Challagulla
Date of Birth	15 th August, 1979
Appointed on	25/07/2009
Qualification	Bachelor of Science (BS) in Engineering, (Major in Computer Sciences) and Corporate Finance from Berkley University
Experience in specific functional areas	Industrialist with rich business experience
Directorships held in other Public companies (excluding foreign and private companies)	NIL
Memberships/ Chairmanships of Audit Committees and Investors' Grievance Committees across public companies	NIL
Shareholding	17.25 % (885644 Equity Shares)

DIRECTORS' REPORT

To
The Members,
Incap Limited

Your Directors have pleasure in presenting the Twenty Third Annual Report on the business and operations of the Company and the Audited Accounts for the year ended 31st March, 2013 together with Auditors' Report thereon.

FINANCIAL RESULTS:

The Financial Results for the year ended 31st March, 2013 are summarized below:

(Rs. In Lakhs)

PARTICULARS	2012-2013	2011-2012
Revenue from Operations	3518.41	1760.13
Other Income	15.18	79.68
Total Income	3533.59	1839.81
Total Expenditure	3204.44	1627.99
Profit before Interest, Depn. & Tax	329.15	211.82
Interest	116.34	97.90
Profit before Depn. & Tax	212.81	113.92
Depreciation	90.82	71.91
Goodwill written off	19.99	19.99
Profit before Tax	102.00	22.02
Add : Deferred Tax Liability (Net)	12.20	12.55
Provision for Tax	50.01	19.50
Profit after Tax	64.19	15.07
Add : Brought forward from previous year	(28.03)	(43.10)
	36.16	(28.03)
Appropriations		
Surplus carried to Balance Sheet	36.16	(28.03)

COMPANY'S OPERATIONS:

During the year 2012 - 2013 your Company achieved a turnover of Rs. 3518.41 Lakhs against Rs.1760.13 Lakhs for the year 2011 - 2012.

DEPOSITS :

During the period under review, your company has not accepted/renewed any deposits within the meaning of section 58A of the Companies Act, 1956 and the rules made there under.

INSURANCE :

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

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QUALITY SYSTEM :

Your Company's Certificate for quality systems under ISO 9001:2008 from ODC Standards Certification (India) Pvt. Ltd., Hyderabad continues to be valid.

CORPORATE GOVERNANCE REPORT :

Corporation Governance Report, along with the Auditors Compliance Certificate is attached to this report.

DISCLOSURE AS PER LISTING AGREEMENT :**Clause 32:**

The Cash Flow Statement in accordance with Accounting Standard and Cash Flow Statement (AS3) issued by ICAI is appended to this Annual Report.

Clause 43A :

The Company's shares are listed on Bombay Stock Exchange Limited, Floor 25, P.J. Tower, Dalal Street, Mumbai – 400001. The annual listing fee to BSE Limited for the year 2012-2013 has been paid.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217 (2AA) of the Act, the Directors, based on the representation received from the Operating Management, confirm that:-

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- (ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (iii) they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis.

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

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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.

TECHNICAL 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)

Particulars	Current Year	Previous Year
a) Foreign exchange earnings on Exports	NIL	NIL
b) Foreign exchange used on account of		
Value of Imports :		
i) Raw materials & Stores	2433.63	1291.16
ii) Capital Goods	0.89	1.00
iii) Foreign Travel	9.09	2.46

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.

COST AUDITORS:

With reference to the Circular no 52/26/CAB-2010 dated 24th January, 2012 from the Cost Audit Branch, Ministry of Corporate Affairs, Cost Audit is applicable to the Company with effect from the Financial Year 2012-13. M/s K.S.V.SUBBARAO & ACCOCIATES was appointed as to Conduct Cost Audit for the Financial year 2012-13. M/s K.S.V.SUBBARAO & ACCOCIATES has re-appointed as to Conduct Cost Audit for the Financial year 2013-14.

DIRECTORS:

Smt.P.Himabindu was appointed as an Additional Directors w.e.f. 17th June, 2013. In accordance with Section 260 of the Companies Act, 1956 (the Act) and the Company's Articles of Association, she will cease to hold office at the forthcoming Annual General Meeting and is eligible for appointment.

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In accordance with the provisions of the Act and the Articles of Association of the Company, Smt. Neelima Challagulla is liable to retire by rotation and is eligible for reappointment.

Attention of the Members is invited to the relevant items in the Notice of the Annual General Meeting and the Explanatory Statement thereto.

Your Board Recommends for approval of appointment of Smt. P. Himabindu as Director of the Company.

Sri. K. Rajendra Prasad resigned as a Nominee Director from the Board of Directors of the Company with effect from 10th May, 2013, due to personal reasons. The Board placed on record its appreciation of the contributions made by Sri. K. Rajendra Prasad during his tenure on the Company's Board as an independent director of the Company and Smt. Anita Rajendra has been appointed as Nominee Director with effect from 30th May, 2013 in the place of Sri. K. Rajendra Prasad for the representation of APIDC and Company welcomes to Smt. Anita Rajendra.

PARTICULARS OF EMPLOYEES:

There are no employees who are in receipt of remuneration in excess of the rates / amounts specified under 217 (2A) of the Companies Act, 1956 read with the (particulars of Employees) Rules, 1975.

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.

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
For INCAP LIMITED

VIJAYAWADA
30th July, 2013

C. BHAGAVANTHA RAO
MANAGING DIRECTOR