

INCAP LIMITED

BOARD OF DIRECTORS

Sri. C.Bhagavantha Rao
Smt. C.Neelima
Sri. P.Ram Rao
Smt. P.Himabindu

Managing Director
Whole-time Director
Director
Director

AUDITORS

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

BANKERS

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

REGISTERED OFFICE & FACTORY

INCAP LIMITED

CIN : L32101AP1990PLC011311
1-58, Nidamanuru
VIJAYAWADA – 521104.
Krishna District,
Andhra Pradesh.

REGISTRARS & SHARE TRANSFER AGENTS (PHYSICAL & DEMAT):

M/s. VENTURE CAPITAL & CORPORATE INVESTMENTS PRIVATE LIMITED

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

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

Tel : 91-40-23818475, 476
Fax : 91-40-23868024
Email : info@vccilindia.com

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NOTICE

Notice is hereby given that the **TWENTY SIXTH ANNUAL GENERAL MEETING** of **M/s. INCAP LIMITED**(CIN: L32101AP1990PLC0 11311) will be held on Saturday, the 24th September, 2016 at 12.00 Noon at the Registered Office of the company at 1-58, Nidamanuru, Vijayawada – 521104, Krishna District, Andhra Pradesh to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March, 2016 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sri. P.Ram Rao (DIN: 00137511) who retires at this meeting and being eligible offers himself for re-appointment.
3. To declare dividend for the year 2015-2016.
4. To ratify the appointment of M/s. Purna chandra Rao & Co., Chartered Accountants, Gudiwada (Firm Registration No. 002802S) as approved by Members at the Twenty Fourth Annual General Meeting as Statutory Auditors of the Company, to hold office until the conclusion of Twenty Seventh Annual General Meeting, and to fix their remuneration for the financial year ending 31st March, 2017.

By Order of the Board
For INCAP LIMITED

C.BHAGAVANTHA RAO
MANAGING DIRECTOR
DIN : 00218713

VIJAYAWADA
30th July, 2016

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM/HERSELF AND A PROXY NEED NOT BE A MEMBER.
2. The proxy form duly completed must reach the Registered Office of the Company not later than forty-eight hours before the time appointed for holding the meeting.
3. Pursuant to the provision of section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total share capital of the company. Members holding more than ten percent of the total share capital of the company may appoint a single person as proxy, who shall not act as a proxy for any other Member. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/ authority, as applicable.
4. The Register of Members and Share Transfer books of the company will remain closed from 17th September, 2016 to 20th September, 2016 (Both days inclusive) for the purpose of Annual General Body meeting for the year ended 31st March, 2016.
5. 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 16th September, 2016.
6. The Notice of the AGM along with the Annual Report 2015-2016 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories, unless any Member has requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. A copy of the notice of the AGM along with the Annual Report is also available for download on the

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website of the company www.incaplimited.com. To support the 'Green Initiative' Members who have not registered their e-mail addresses are requested to register the same with link in time/Depositories.

7. Relevant documents/agreements referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during the business hours upto the date of the meeting.
8. In case of Joint Holders attending the meeting, the member whose name appears as the first holder in the order of names as per Register of members will be entitled to vote.
9. Corporate members intending to send their authorized representative to attend the Meeting are requested to send to the company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
10. Members / proxies should bring the attendance slips duly filled in for attending the meeting.
11. **Voting Through Electronic Means:-**
 - (i) In accordance with applicable provisions of the Listing Agreement and Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014 (the Rules), the company is pleased to provide facility to its members, to cast their vote electronically for all the resolutions proposed at the 26th Annual General Meeting of the company. The company has appointed Central Depository Services (India) Ltd. (CDSL) to provide e-voting facility to its members.
 - (ii) The voting right of shareholders shall be in proportion to one vote per full paid equity share of the company held by them as on the cutoff date 16th September, 2016.

- (iii) The remote e-voting period beings on Wednesday, September 21, 2016 at 09:00 hours (IST) and ends at on Friday, September 23, 2016 at 17:00 hours (IST). During this period sharehodlers' of the Company, holding share either in physical form or in dematerialized form, as on the cut-off date of September 16, 2016, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- (iv) The facility for voting by ballot or polling paper shall also be made available at the meeting and Members of the Company as of cutoff date, attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- (v) M/s. B.L.Chandrasekhar Sarma & Associates, Practicing Company Secretaries has been appointed by the Board of Directors of the company, as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (vi) The procedure and instructions for e-voting are as under
 - (i) The voting period begins on September 21, 2016 at 09.00 hours (IST) and ends on September 23, 2016 at 17.00 hours (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date September 16, 2016 of September 16, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iii) Click on Shareholders.

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- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN *	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)- - Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
	- In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB #	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details #	Enter the Dividend Bank Details as recorded in your demat account Bank or in the company records for the said demat account or folio.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A

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confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

(xxi) The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, would count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than three days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any to the chairman or a person authorized by him in writing who shall countersign the same.

(xxii) The results declared along with the scrutinizer's report shall be placed on the company's website www.incaplimited.com and on the website of CDSL www.evotingindia.com. Immediately after the result is declared. The company shall simultaneously forward the results to BSE Limited ("BSE") where the shares of the company are listed.

By Order of the Board
For INCAP LIMITED

C.BHAGAVANTHA RAO
MANAGING DIRECTOR
DIN : 00218713

VIJAYAWADA
30th July, 2016

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

Particulars	Sri. P.Ram Rao (DIN 00137511)
Date of Birth	28 th June, 1948
Appointed on	16/12/1991
Qualification	B.E. (Hons)
Experience in specific functional areas	He is having very sound experience in Electrical, Electronic Industry and Administration.
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	9.95% (5,10,933 Equity Shares)

DIRECTORS' REPORT

To
The Members,
Incap Limited

Your Directors have pleasure in presenting the Twenty Sixth Annual Report on the business and operation of the company and the Audited Accounts for the year ended 31st March, 2016 together with Auditors' Report thereon.

1. FINANCIAL RESULTS :

The financial results for the year ended 31st March, 2016 are summarized below:

(Rs. In Lakhs)		
PARTICULARS	2015-2016	2014-2015
Revenue from Operations	3006.35	4599.58
Other Income	35.34	119.39
Total Income	3041.69	4718.97
Total Expenditure	2713.42	4300.29
Profit before Interest, Depn. & Tax	328.27	418.68
Interest	51.58	43.94
Profit before Depn. & Tax	276.69	374.74
Depreciation	37.78	56.23
Goodwill written off	-	19.99
Profit before Tax	238.91	298.52
Add : Deferred Tax Liability (Net)	-5.97	-4.86
Provision for Tax	91.42	105.82
Profit after Tax	153.46	197.56
Add : Brought forward from previous year	265.46	129.68
	418.92	327.24
Appropriations		
Provision for Dividend	51.33	51.33
Tax on Dividend	10.45	10.45
Surplus carried to Balance Sheet	357.14	265.46

2. STATE OF COMPANY AFFAIRS :

During the year 2015-2016 your company achieved a turnover of Rs.3006.35 Lakhs against Rs.4599.58 Lakhs for the year 2014-2015 your company made a net profit of Rs.153.46 Lakhs during the year.

3. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS :

There are no material changes and commitments affecting financial position of the company between 31st March, 2016 and the date of Board's Report.

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4. EXTRACT OF ANNUAL RETURN :

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the companies (Management and Administration) Rules, 2014, an extract of annual return in MGT-9 is enclosed as **Annexure “A”** to this report.

5. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES / JV :

The company does not have any subsidiary, joint venture or associates company.

6. DIVIDEND :

The Board of Directors recommended for your consideration a dividend on equity share at 10% (Re.1.00 per equity share) for the year ended 31st March, 2016. The total amounts of outgo on account of these will Rs.51.33 Lakhs towards dividend and Rs.10.45 Lakhs towards tax on dividend.

7. DIRECTORS :

Sri P.Ram Rao having DIN : 00137511, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Attention of the members is invited to the relevant items in the Notice of the Annual General meeting and the Explanatory statement thereto.

8. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS :

The company has not appointed Independent Directors and receiving declaration from Independent Directors won't arise. The company is taking necessary steps to appoint Independent Directors.

9. POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION :

For the purpose of selection of any Director, the Nomination & Remuneration Committee identifies persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and also takes into consideration recommendation, if any, received from any member of the Board. The committee also ensures that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws. The Board has, on the recommendation of the Nomination & Remuneration committee framed a policy for selection, appointment and remuneration of Directors & Senior Management.

10. EVALUATION OF PERFORMANCE OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS :

The Board of Directors have carried out an annual evaluation of its own performance, its various committees and individual directors pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed under clause 49 of the Listing Agreement.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of various criteria such as Board composition, process, dynamics, quality

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of deliberations, strategic discussions, and effective reviews, committee participation, governance reviews etc.

The Board and the Nomination and Remuneration committee reviewed the performance of the individual directors on the basis of the criteria such as Transparency, Analytical Capabilities, Performance, Leadership, Ethics and ability to take balanced decisions regarding stakeholders.

11. TRANSFER TO RESERVES :

No amount was transferred to the reserves during the financial year ended 31st March, 2016.

12. NUMBER OF MEETINGS OF THE BOARD :

The Board of Directors met 4 (Four) times on 30th May, 2015, 25th July, 2015, 31st October, 2015 and 30th January, 2016 dates during the financial year.

Name of the Director	Number of meetings attended / total meeting held during the Financial Year 2015-2016
Sri C.Bhagavantha Rao	4 / 4
Sri P.Ram Rao	2 / 4
Smt. C.Neelima	4 / 4
Smt. P.Himabindu	3 / 4

13. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your company strongly believes in providing a safe and harassment free workplace for each and every individual working for the company through various interventions and practices. It is the continuous endeavor of the management of the company to create and provide an environment to all its employees that is free from discrimination and harassment including sexual harassment. During the year ended 31st March, 2016, no complaints pertaining to sexual harassment was received by the Company.

14. STATUTORY AUDITORS :

The company's Auditors, M/s. Purnachandra Rao & Co. was appointed as Statutory Auditors of your company at the last Annual General Meeting held on 27th September, 2014 for a term of three consecutive years. As per the provisions of Section 139 of the Companies Act, 2013 the appointment of Auditors is required to be ratified by Members at every Annual General Meeting. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for reappointment as Auditors of the Company.

The Report given by the Auditors on the financial statements of the company is enclosed **Annexure "B"** to this report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their report.

15. SECRETARIAL AUDITORS :

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s. A.N.Sarma & Co., Company Secretaries for conducting secretarial audit of the Company for the

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The Secretarial Audit Report (Form MR-3) is enclosed **Annexure “C”** to this report. The remarks, qualification and reservation of Secretarial Auditor have been mentioned in the report and the reasons for not appointing Independent Directors and Company Secretary of the company is explained as follows.

a. Company is engaged in a business where it finds difficult to find Independent Directors who can understand and provide value addition to the Company. And also, the company's registered office and factory is located in a rural area to a build new capital of Andhra Pradesh and it is finding difficult not only to appoint Independent directors and Company Secretary but also other resources.

b. Company undertakes to appoint Independent Directors and Company Secretary of the Company to comply with all provisions of the Companies Act, 2013 and Listing Agreement.

16. LOANS, GUARANTEES & INVESTMENTS :

The Company has not given loans, guarantees, securities and made investments during the year under review, under the provisions of the Companies Act, 2013 as the rules framed thereunder.

17. RELATED PARTY TRANSACTIONS :

There are no related party transactions made by the company with its promoters, directors or the management, their relative conflicting with company's interest during the year under review, under the provision of the Companies Act, 2013 and the rules framed thereunder.

18. COMPOSITION OF AUDIT COMMITTEE :

The details pertaining to composition of Audit Committee are included in the Corporate Governance Report which forms a part of this report.

19. RISK MANAGEMENT POLICY :

The company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the company. The same has also been adopted by your Board and is also subject to its review from time to time.

20. INTERNAL FINANCIAL CONTROLS :

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Managing Director.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company.

Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions there on are presented to the Audit Committee of the Board.