



18th Annual Report
2011-12

18th Annual General Meeting
29th Day of September, 2012
At 11.00 a.m.
Plot No.41, IDA Mallapur,
Hyderabad
Andhra Pradesh, INDIA

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CORPORATE INFORMATION

BOARD OF DIRECTORS:

Sri Prasad V.S.S Garapati	--	Chairman & Managing Director
Smt K.Saraswathi	--	Executive Director
Sri Sahu Garapati	--	Whole Time Director
Sri Venkaiah Doniparthi	--	Director
Sri Devineni Madhusudhan Rao	--	Director
Sri Cherukuri Subrahmanyam	--	Director

STATUTORY AUDITORS**M/s. RAMASAMY KOTESWARA RAO & CO**

Plot No. 238/A, MLA's Colony
Road No. 12, Banjara Hills
Hyderabad- 500 034

BANKERS**UCO BANK**

Tolichowki, Hyderabad.

REGISTERED OFFICE

Plot No: 41, IDA Mallapur
Hyderabad - 500 076

SHARE TRANSFER AGENTS**M/s. XL Softech Systems Ltd.**

3, Sagar Society, Road No: 2 Banjara Hills,
Hyderabad - 500 034

LISTED**BSE LIMITED**

NOTICE

Notice is hereby given that the 18th Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company at Plot No.41, IDA Mallapur, Hyderabad on **SATURDAY, 29th SEPTEMBER 2012** at 11.00 A.M to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Balance Sheet of the Company as at 31st March, 2012 and the Profit and Loss account for the year ended on that date and the Report of Directors' and the Auditors thereon.
2. To appoint a Director in place of Sri. Cherukuri Subrahmanyam, who retires by rotation, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Sri. Sahu Garapati, who retires by rotation, being eligible, offers himself for re-appointment
4. To appoint Statutory Auditors of the Company from the conclusion of this ensuing Annual General Meeting till the conclusion of the next Annual General Meeting on remuneration as may be decided by the Board.

By order of the Board
For **INNOCORP LIMITED**

Place: Hyderabad
Date: 27.08.2012

sd/-

Prasad V.S.S Garapati
Chairman & Managing Director

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote at the meeting instead of himself / herself and the proxy need not be a member of the Company. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hrs before the commencement of the meeting.
2. The Register of members and share transfer books of Company shall remain closed from **TUESDAY, 25TH SEPTEMBER 2012 TO SATURDAY, 29TH SEPTEMBER 2012** (both days inclusive).
3. Members are requested to notify any change in their addresses to the Company immediately.
4. Members desirous of obtaining any information on the Annual Accounts of the Company are requested to write to the Company at least 7 working days before the date of the meeting to enable the Company for compilation of the required information.
5. Members are requested to notify immediately any change of address to their Depository Participants (DPs) in respect of their holdings in electronic form and also in respect of their physical share folios, if any to M/s. XL Softech Systems Ltd. Unit: **Innocorp Limited**, 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500034.

By order of the Board
For **INNOCORP LIMITED**

Place: Hyderabad
Date: 27.08.2012

sd/-
Prasad V.S.S Garapati
Chairman & Managing Director

ADDITIONAL INFORMATION ON DIRECTORS RETIRING BY ROTATION AND SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT.

CHERUKURI SUBRAHMANYAM

Sri Cherukuri Subrahmanyam aged about 67 years is a Diploma Holder in Electrical. He was AE in APCPDCL and served more than 31 years in different categories in the same state government organization He does not hold any equity shares in the Company.

SAHU GARAPATI

Sri Sahu Garapati is an MBA Graduate in operations & Marketing from S.P.Jain university of Management, Dubai and has worked as a Business Development Manager for Javelin Communications FZ. LLC, Dubai from 2006 to 2008 and also as a Management Trainee for one Year in Innocorp Limited in the year 2005-06 and at present he is a whole time director of the Company and is playing key role in the organization in the plastic division.

DIRECTORS' REPORT

To
The Members

Your Directors have pleasure in presenting the 18th Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2012.

FINANCIAL HIGHLIGHTS

(Rs. In lacs)

PARTICULARS	YEAR ENDED 31.03.2012	YEAR ENDED 31.03.2011
Sales (Excl: Duties & Taxes)	1017.96	725.09
Other Income	0.77	8.51
TOTAL INCOME	1018.73	733.60
TOTAL EXPENDITURE	887.25	681.80
Profit/ (Loss) before depreciation & Financial Charges	131.48	51.80
Depreciation	56.81	40.69
Financial Charges	39.35	3.93
Misc. Exp Witten Off	0.00	22.30
Profit Before Tax	35.32	7.18
Prior period items	(2.14)	0.85
Provision for tax	0.00	1.49
Deferred Tax Asset Provided	(2.22)	
NET PROFIT / (LOSS)	35.40	6.54
Balance carried to balance sheet		

Your Directors would like to bring to your kind notice that there has been good growth in plastic division and the overall turnover of the Company was satisfactory. The company earned a net profit of Rs.35.40 Lakh. Your Directors are hopeful of good performance and profitability in future years.

DIVIDEND:

During the Financial Year 2011-12, Your Company has recorded a Net profit of Rs.35.40 Lakh and plan to plough the same into business hence your Directors do not recommend any dividend for the Financial Year 2011-12.

DEPOSITS:

During the year under review, the Company has not accepted deposits attracting the provisions of Section 58A of the Companies Act 1956.

DIRECTORS:

Sri Cherukuri Subrahmanyam and Sri Sahu Garapati, Directors of the Company retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2 AA) OF THE COMPANIES ACT:

The Directors of your Company hereby report:

- (i) that in the preparation of Annual Accounts for the year ended 31st March, 2012, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and 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 ended 31st March, 2012 and of the profit and loss of the Company for that period;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts on a going concern basis.

AUDITORS:

M/s Ramasamy Koteswara Rao & Co, Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and has expressed their willingness to be reappointed

The Company has received a certificate from the Auditors to the effect that their appointment, if made will be in accordance with the provisions of Section 224(1B) of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES:

During the year under review, none of the employees were in receipt of remuneration in excess of Rs. 5,00,000/- per month or Rs. 60,00,000/- per annum the limits prescribed under the Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

EMPLOYEE RELATIONS:

The relationship with the employees continues to be cordial. The Directors would like to place on record their appreciation of the services rendered by all the employees of the Company.

INFORMATION REQUIRED UNDER SECTION 217(1) (e) OF THE COMPANIES ACT 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

A Statement of particulars of the conservation of energy, technology absorption and foreign exchange earnings and outgoings is given as required under the Companies (Disclosure of Particular in the Report of the Board of Directors) Rules, 1988, is enclosed as **ANNEXURE-A**

MANAGEMENT DISCUSSION & ANALYSIS

Pursuant to the provision of clause 49 of the Listing Agreement, a report on management Discussion & Analysis is set out as an **ANNEXURE- B**

CORPORATE GOVERNANCE:

The Company is regular in complying with the Clause 49 of the Listing Agreement entered with the Stock Exchanges. A brief report on the Corporate Governance with certificate from the Statutory Auditors of the Company for compliance with the Clause 49 of the Listing Agreement with the Stock Exchanges is set out in **ANNEXURE-C**.

HUMAN RESOURCE VALUATION:

Your Company recognizes that the human resources are the most crucial factor for achieving sustained growth over the years. The management considers it's highly motivated and passion driven work force as its partner in the growth of the Company.

ACKNOWLEDGEMENTS:

Your Directors acknowledge with gratitude and wish to place on record their sincere thanks and appreciation for the co-operation received by the Company from various departments of Central/ State Government, Banks, for their continued co-operation and the support extended during the year. Your Directors also wish to acknowledge the continued support and confidence reposed in the management by the Shareholders.

For and On behalf of the Board of Directors

Place: Hyderabad
Date: 27.08.2012

sd/-

Prasad V.S.S Garapati
Chairman & Managing Director

ANNEXURE A

**CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY
ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO**

Particulars pursuant to Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988

A) CONSERVATION OF ENERGY

a) Energy conservation measures taken :

Proper control points are set up at all levels to identify the wastage in power & fuel consumption and to take/initiate corrective steps.

b) Additional investments and proposals, if, any, being implemented for reduction of conservation of energy : NIL

c) Impact of the clause (1) and (2) above the reduction of energy consumption and consequent impact on the production of goods : N.A

B) TECHNOLOGY ABSORPTION

Research and Development (R&D)

1. Specific areas in which R&D carried out by the Company	NIL
2. Benefits derived as a result of the above R&D	NIL
3. Future plans of action	
4. Expenditure on R&D	
Capital	NIL
Recurring	NIL
Total	NIL
Total R&D Expenditure as % of total turnover	NIL

Technology Absorption, Adaptation and Innovation

1. Efforts made towards technology absorption adaptation and innovation NIL
2. Benefits derived as a result of above efforts : NIL
3. Information about imported technology
 - a. Technology imported : NIL
 - b. Year of Import :
 - c. Whether Technology fully absorbed :
 - d. If not fully absorbed, areas and reasons for future plans actions :

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plans.

The Company plans to explore and tap overseas markets. The Company also proposes to bring in new products and services which shall be first launched in the domestic markets and then shall be introduced in the overseas markets.

2.	Foreign exchange earnings and outgo:	2011-12
	Foreign exchange earnings	NIL
	Foreign exchange outgo	Rs 24,19,552/-

**For and On behalf of the
Board of Directors**

Place: Hyderabad
Date: 27.08.2012

sd/-
Prasad V.S.S Garapati
Chairman & Managing Director

MANAGEMENT DISCUSSION & ANALYSIS**ANNEXURE-B****ECONOMIC OVERVIEWS**

India is projected to see a faster growth of 7.5 per cent this fiscal, on the back of higher savings and investment rates, even as most of the Asia-Pacific economies are likely to expand at a slower pace, as per a United Nations (UN) report. "We expect it to expand by about 7.5 per cent in 2012-13," said Nagesh Kumar, Chief Economist, United Nations Economic and Social Commission for Asia and the Pacific (ESCAP).

"Today India is among the most attractive destinations globally, for investments and business and FDI had increased over the last few years," according to Ms Pratibha Patil, President of India. The Indian economy has continuously recorded high growth rates and become an attractive destination for investments, highlighted Ms Patil.

Meanwhile, India continued its ascent as a top destination for private clean energy investment, according to a research report released by The Pew Charitable Trusts. "Clean energy investment, excluding research and development, has grown by 600 per cent since 2004," according to Phyllis Cuttino, Director, Pew's Clean Energy Program. India's clean energy sector continued to flourish in 2011, with private investment increasing 54 per cent to US\$ 10.2 billion, placing the country at sixth position among the G-20 nations. This was the second highest growth rate among the G-20 nations.

The World Economic Forum (WEF) plans to establish permanent physical presence in India by setting up an office in the next twelve months. "Today, India is amongst the most important G-20 economies and this underscores Forum's commitment to the country as a partner," according to Mr Sushant Palakurthi Rao, Senior Director, WEF

INDUSTRY SCENARIO

The Indian plastics market is comprised of around 25,000 companies and employs 3 million people. The domestic capacity for polymer production was 5.72m tons in 2009. The State of Gujarat in Western India is the leading plastics processing hub and accounts for the largest number of plastics manufacturers, with over 5,000 plastics firms.

The growth rate of the Indian plastics industry is one of the highest in the world, with plastics consumption growing at 16% per annum (compared to 10% p.a. in China and around 2.5% p.a. in the UK). With a growing middle class (currently estimated at 50 million) and a low per capita consumption of plastics, currently 8kg per head, this trend is likely to continue. The Plastindia Foundation estimates that plastics consumption is likely to reach 16kg per head by 2015.

Despite India having a population of 1.15 billion and a work force of 467 million, plastics companies have reported problems with labor shortages. This has led to increased investment in technology such as automation and conveyor belt systems.

Apart from the shortage of a skilled labor, the plastics industry is also facing the problem of a nationwide power deficit. The electricity demand deficit is 12-13 percent. This provides excellent opportunities for firms offering energy saving solutions, power saving machines and ancillary equipment

OVER VIEW OF OPERATIONS

During the Financial Year under review your company has achieved a turnover of Rs 1017.96 lakh as against Rs 725.09 lakh in the previous year and earned a net profit of Rs 35.40 lakh Compared to net profit of Rs 6.53 lakh in the last year.

OUT LOOK AND STRATEGY FOR THE CURRENT YEAR

The company proposed to acquire additional equipment items to improve the efficiency of our injection molding machines to achieve optimum qualitative and quantitative turnover from the F.Y 2012-13, for which the company is planning to approach UCO Bank for additional Term loan of Rs.160.00 lakh and enhancement of cash credit limit from Rs 125.00 lakh to Rs 150.00 lakh

FUTURE OUTLOOK OF INDUSTRY

The Indian plastics industry has been growing at a rate of 12% over the years and with its true potential harnessed, it is all set to reach the 12.5 MMT by consumption making India the 3rd largest consumer of plastics by 2012

India's consumption of plastics will grow from 7.5 mn tonnes to 15 mn tonnes by 2015 and is set to be the third largest consumer of plastics in the world. India's plastics processing sector will grow from 69,000 machines to 150,000 machines by the year 2020.

India's demand for plastics in irrigation alone is pegged to cross 2.5 mn tonnes by 2015. Plastics in packaging consume 3.5 mn tonnes of polymers today and will increase to 9 mn tonnes by 2020. Indian automobile industry is growing at more than 18% p.a. and is hungry for plastics.

In terms of plastics, India will become world's third largest consumer by the next decade, looking at an upstream investment demand in excess of US\$ 37 bn. The Indian plastics and polymers industry is set to grow explosively, and visibly increase its global foot print.

ANNEXURE-C

CORPORATE GOVERNANCE REPORT

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

We believe that our company shall go beyond adherence to regulatory framework. Our corporate structure, business and disclosure practices have been aligned to our Corporate Governance Philosophy. Transparency, accountability, fairness and intensive communication with stakeholders are integral to our functioning. We believe in system driven performance and performance oriented systems. We accord highest priority to these systems and protect the interests of all our shareholders, particularly the minority shareholders.

2. BOARD OF DIRECTORS:

□ **Composition of Board of Directors**

At present, the strength of the Board is Six Directors. The Board comprises of 3 Executive and 3 Non-Executive Independent Directors.

□ **Board meetings and attendance**

Five Board Meetings were held during the Financial Year and the gap between two board meetings did not exceed four months.

The dates on which meeting were held are as follows:

14.05.2011	11.08.2011	25.08.2011	12.11.2011	14.02.2012
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The constitution of the Board is given below:

S. No	Directors	Category	Attendance at AGM held on 30.09.2011	Attendance in Board Meeting		Other Boards		
				Held	Attend ed	Direct orship	Commit tee chairma n-ship	Committe e member-ship
1	Prasad Garapati	Chairman & Managing Director Promoter	Yes	5	5	4	Nil	Nil
2	K. Saraswathi	Executive Whole Time Director	Yes	5	5	2	Nil	Nil

3	Sahu Garapati	Executive, Whole Time Director	Yes	5	5	1	Nil	Nil
4	Cherukuri Subrahmanyam	Non-Executive Director & Independent Director	Yes	5	5	Nil	Nil	Nil
5	Venkaiah Doniparthi	Non-Executive Director & Independent Director	No	5	5	Nil	Nil	Nil
6	Devineni Madhusudhana Rao	Non-Executive Director & Independent Director	Yes	5	5	Nil	Nil	Nil

3. AUDIT COMMITTEE :

Brief description of terms of reference

The terms of reference as per Clause 49 of the Listing Agreement are as follows

- ⌚ Financial reporting process
- ⌚ Draft financial statements and auditor's report (before submission to the Board)
- ⌚ Accounting policies and practices
- ⌚ Internal controls and internal audit systems
- ⌚ Risk management policies and practices
- ⌚ Related party transactions
- ⌚ Internal audit reports and adequacy of internal audit function

The role of the audit committee includes recommending the appointment and removal of the external auditor, discussion of the audit, plan, and fixation of audit fee and also approval of payment of fees for any other services.

Composition

The Audit Committee of the Company comprise of the following Independent Directors:

Name of the Director	Designation
D. Madhusudhan Rao	Chairman
Venkaiah Doniparthi	Member
Cherukuri Subrahmanyam	Member

Meetings and Attendance during the Financial Year:
MEETINGS:

The Audit committee of the Board met five times during the year, the meetings was held for approval of Un- Audited Financial Results and Audited Financial results of the Company i.e. on:

14.05.2011	11.08.2011	25.08.2011	12.11.2011	14.02.2012
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ATTENDANCE:

Name	No of Meetings Held	No of Meetings Attended
D. Madhusudhan Rao	5	5
Venkaiah Doniparthi	5	5
Cherukuri Subrahmanyam	5	5

The meetings of Audit Committee are also attended by the heads of finance and Statutory Auditor as Invitees. The un- audited financial results for each quarter are approved by the Audit Committee before passed on to the Board of Directors for approval and adoption.

4. REMUNERATION COMMITTEE:
Terms of Reference:

The terms of reference as per Clause 49 of the Listing Agreement is to determine and review the remuneration, performance and related bonus of Directors.

Composition

The Remuneration Committee of the Company comprise of the following independent Directors:

Name of the Director	Designation
D. Madhusudhan Rao	Chairman
Venkaiah Doniparthi	Member
Cherukuri Subrahmanyam	Member

Remuneration paid to Directors during the Financial Year

No Remuneration paid to Directors except to Whole Time Directors of the Company and details of the remuneration are as follows:

Name of Director	Salary	Perks	Total
Prasad Garapati	600000	454648	1054648
K. Saraswathi	600000	15789	615789
Sahu Garapati	240000	66847	306847

5. INVESTORS AND SHAREHOLDERS GRIEVANCE COMMITTEE:

Brief description of terms of reference:

To look into various affairs relating to the shareholders with regard to redressal of complaints in relation to transfer of shares, non-receipt of share certificates, balance sheets, dividends etc.,

Composition

The Investor & Shareholders Grievance Committee of the Company comprise of the following independent Directors

Name of the Director	Designation
<i>D. Madhusudhan Rao</i>	<i>Chairman</i>
Venkaiah Doniparthi	Member
Cherukuri Subrahmanyam	Member

Name & Designation of the Compliance Officer : **Sri Prasad V.S.S Garapati**
Chairman & Managing Director

No. of shareholders complaints received during the Financial Year : Nil

No. of complaints solved to the satisfaction of the share holders : Nil

No. of pending complaints : Nil

6. LOCATION AND TIME WHERE THE LAST THREE AGMS HELD:

Year	Date	Location	Time (A.M)
2010-11	30.09.2011	Plot No: 41, IDA Mallapur, R.R. District – 500 076	11.00
2009-10	30.09.2010	Plot No: 41, IDA Mallapur, R.R. District – 500 076	11.00
2008-09	30.09.2009	Plot No: 41, IDA Mallapur, R.R. District – 500 076	11.00

SPECIAL RESOLUTION

Special Resolution was passed in 15th Annual General Meeting held on 30.09.2009 for reappointment of Sri Prasad V.S.S Garapati as Chairman & Managing Director and Smt K. Saraswathi as whole time director.

POSTAL BALLOT:

No Special Resolution is passed through postal ballot in the last year.

7. DISCLOSURES:

- a. Materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of Company at large. – **NIL** –
- b. Details on non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years. – **NIL** –

8. MEANS OF COMMUNICATION:

- The Quarterly results are usually published in the **Business Standard (in English)** and **Andhra Prabha**(in regional language) dailies.

9. SHAREHOLDER INFORMATION:

- **AGM:** The 18th Annual General Meeting of the Company will be held on **SATURDAY, 29TH SEPTEMBER, 2012** at the Registered Office of the Company
- **Financial Year: 1st April 2012 to 31st March 2013**

CALENDER OF EVENTS:

Event	Dates
First Quarter un-audited (Provisional) Financial Results	Second Week of August 2012
Second Quarter un-audited (Provisional) Financial Results	Second Week of November, 2012
Third Quarter un-audited (Provisional) Financial Results	Second Week of February, 2013
Fourth Quarter audited Financial Results	Second Week of May, 2013

- **Book Closure Date:** From **TUESDAY, 25TH SEPTEMBER 2012 TO SATURDAY, 29TH SEPTEMBER 2012** (both days inclusive)
- **Listing on Stock Exchanges:** The shares of the Company are listed at BSE Limited. The company has paid the listing fees to the above Stock Exchange.

- **Dividend Payment Date:** NA
- **Stock Exchange Code:** 531929
- **Demat ISIN Number**

Under the Depository System the International Securities Identification Number (ISIN) allotted to the Company's Equity Shares by NSDL & CDSL

INE214B01017

- **Share Transfer System:**

All the physical share transfers received are processed by the Share Transfer Agents M/s. XL Softech Systems Limited, Hyderabad. The Company's shares are being traded in compulsory Demat form. The Company has entered into agreement with both NSDL and CDSL to dematerialize its shares, which enable the Company's shares to be transferred electronically through Depositories System.

- **Market Price Data:** During the last Financial Year 2011-12

Month	Bombay Stock Exchange Limited	
	High (Rs.)	Low (Rs.)
April, 2011	6.49	3.95
May, 2011	6.75	4.23
June, 2011	7.79	5.24
July, 2011	9.43	5.63
August, 2011	5.90	4.31
September, 2011	5.02	3.82
October, 2011	5.09	3.85
November, 2011	4.32	3.70
December, 2011	3.73	3.04
January, 2012	3.69	2.90
February, 2012	4.21	3.10
March, 2012	4.35	2.96

- **Registrar and Transfer Agents:** **XL Softech Systems Limited**
3, Sagar Society, Road No: 2,
Banjara Hills, Hyderabad – 500034.

■ SHAREHOLDING PATTERN AS ON 31ST MARCH 2012:

S. no	Category	No. of Shares Held	% of Shareholding
A1	SHAREHOLDING OF PROMOTERS & PROMOTER GROUP INDIAN		
	Individuals/Hindu Undivided Family	1118117	14.08
	Central Government /State Government(s)	988700	12.45
	Bodies Corporate	-	-
	Financial Institutions/Banks		
	Sub Total of A1	2106817	26.53
A2	FOREIGN	189000	2.38
	Individuals (Non-Residents)	-	-
	Bodies Corporate	-	-
	Institutions	-	-
	Any Other (Specify)		
	Sub Total of A2	189,000	2.38
	TOTAL PROMOTERS SHAREHOLDING (A1 +A2)	2295817	28.91
B1.	Public Shareholdings		
	Institutions	-	-
	Mutual Funds and UTI	100	-
	Banks/Financial Institutions	800	0.01
	Central Government/State Government	-	-
	Venture Capital Funds	-	-
	Insurance Companies	-	-
	Foreign Institution Investor	50,000	0.63
	Foreign Venture Capital Investors		
	Any Other (Specify)		
	Sub Total B1	50,900	0.64
B 2	Non Institutions		
	Bodies Corporate	333416	4.20
	Individuals	-	-
	Individuals share holders holdings nominal share capital upto Rs. 1 Lakh	2028232	25.54
	Individual Shareholding holding nominal share capital in excess of Rs. 1 Lakh	827858	10.42
	Any Other (Specify)		
	NRIs/OCBs	2400238	30.22
	Clearing Members	4939	0.06
	Sub Total B2	5594683	70.45
	TOTAL OF PUBLIC SHAREHOLDING (B1+B2)	5645583	71.09
C	Shares held by Custodian and against which Depository Receipts have been issued	-	-
	TOTAL A+B+C	7,941,400	100

DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2012

Sl. No.	Category From - To	No. of Holders	% of Holders	No. of Shares	% of Shares
1	Upto - 5000	2648	74.19	554428	6.98
2	5001 - 10000	434	12.16	377807	4.76
3	10001 - 20000	220	6.16	346723	4.37
4	20001 - 30000	76	2.13	202057	2.54
5	30001 - 40000	31	0.87	110586	1.39
6	40001 - 50000	41	1.15	194097	2.44
7	50001 - 100000	65	1.82	473477	5.96
8	100001 & above	54	1.51	5682225	71.55
TOTAL		3569	100.00	7941400	100.00

- **Dematerialization of shares and liquidity:** Since the Company has already entered into agreement with both the depositories, viz., NSDL and CDSL for dematerialisation of its shares, the shareholders are free to dematerialize their shares and keep them in dematerialized form with any Depository Participant.
- **Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity:** NA
- **Address for correspondence:**

Sri Prasad V.S.S Garapati
Chairman & Managing Director
INNOCORP LIMITED
Plot No: 41, IDA, Mallapur, Hyderabad - 76.
Phone : 040 - 65990114, 040 - 27158152
Fax : 040 - 27179628

CEO & CFO CERTIFICATION: The Chairman & Managing Director of the Company gives annual certificates on financial reporting and internal control to the board In terms of clause 49.

DECLARATION OF MANAGING DIRECTOR ON COMPLIANCE WITH CODE OF CONDUCT AND ETHICS

INNOCORP LIMITED has adopted Code of Business Conduct and Ethics ("the code") which applied to all the employees and Directors of the Company. Under the Code, it is responsibility of all employees and Directors to familiarize themselves with the Code and comply with its Standards.

I hereby certify that the Board members and senior management personnel of INNOCORP LIMITED have affirmed compliance with the Code for the Financial Year 2011-12.

For and On behalf of the Board of Directors

sd/-

Prasad V.S.S Garapati

Chairman & Managing Director

Place: Hyderabad
Date: 27.08.2012

Chief Executive Officer and Chief Finance Officer (CEO&CFO) Certificate:

I, Prasad Garapati, Chairman & Managing Director of Innocorp Limited, to the best of our knowledge and belief, certify that:

We have reviewed the Balance Sheet and Profit and Loss Account and all its schedules and notes on accounts as well as the Cash Flow Statement for the year ended 31.03.2012

To the best of our knowledge and belief:

- a) These statements do not contain any untrue statement or omit any material fact or contain statements that might be misleading.
- b) The financial statements and other financial information included in this report present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws and regulations.

To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.

- a) There has not been any significant change in internal control over financial reporting during the year under reference;
- b) There has not been any significant changes in accounting policies during the year under reference; and
- c) We are not aware of any instances during the year of significant fraud, with involvement there in of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Hyderabad
Date: 27.08.2012

sd/-
Prasad V.S.S Garapati
Chairman & Managing Director

**AUDITORS CERTIFICATE ON COMPLIANCE OF CONDITIONS
OF CORPORATE GOVERNANCE**

To
The Members of Innocorp Limited,
Hyderabad.

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance condition of Corporate Governance of Innocorp Limited ("the Company") for the year ended 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The Compliance of the conditions of the Corporate Governance is the responsibility of the management. Our examination, conducted in the manner described in the guidance note on "Certification of Corporate Governance" issued by the Institute of Chartered Accountants of India was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us and on the basis of our examination described above, the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 the above-mentioned Listing Agreement.

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 **Ramasamy Koteswara Rao**
Chartered Accountants

sd/-
C V Koteswara Rao
Partner
M No. 28353

Place: Hyderabad
Date: 27.08.2012

AUDITORS' REPORT

**To the Members of
Innocorp Limited,
HYDERABAD.**

1. We have audited the attached Balance Sheet of Innocorp Limited, as at March 31, 2012, and also the related Statement of Profit and Loss account 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 as amended ('the Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 ('the Act'), 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:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Statement of Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - (iv) On the basis of written representations received from the directors, as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on

31st March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

5. (i) In our opinion Balance Sheet, Statement of Profit and loss Account and Cash Flow Statement comply with the accounting standards referred to in sub-section (3c) of section 211 of the Companies Act, 1956.

(ii) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon give the information required by the Act, 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 the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
- (b) In the case of the Statement 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 of the company for the year ended on that date.

For RAMASAMY KOTESHWARA RAO & CO.,
Chartered Accountants
ICAI FRN : 010396S

Place: Hyderabad
Date: 27.08.2012

sd/-
C V Koteswara Rao
Partner
M No. 28353

Annexure to the Auditors' Report (referred to in paragraph 3 of our Report of even date to the Members of Innocorp Limited for the year ended March 31, 2012)

- (i). (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) Fixed Assets have been physically verified by the management and, in our opinion, the verification is reasonable having regard to the size of the company and the nature of its assets. No discrepancies were noticed on such verification.
 - (c) No substantial part of fixed assets has been disposed off during the year.
- (ii). (a) As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) The company has maintained proper records of inventories. As explained to us there were no material discrepancies noticed on physical verification of inventories as compared to book records.
- (iii). The company neither taken nor granted any loans to companies covered in the register maintained under section 301 of the Companies Act 1956 during the year. The provisions of clause (iii)(b), (c), and (d) of the Companies (Auditor's) Report Order, 2003 is not applicable to the Company.
- (iv). On the basis of checks carried out during the course of audit and as per explanations given to us, we are of the opinion that there are adequate internal control procedures commensurate with the size of the company and the nature of its business; for the purchases of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
- (v). (a) According the information and explanations given to us, based on the disclosures of interest made by the directors of the company, transactions that need to be entered into a register in pursuance of section 301 of the Act have been so entered.
 - (b). In our opinion and according to the information and explanations given to us, in respect of the transactions made in pursuance of contracts or arrangement entered in the registers maintained under section 301, the rates at which such services are rendered are reasonable having regard to the prevailing market prices of such services and the prices charged to other parties.

- (vi) . In our opinion and according to the information and explanations given to us, the company has not accepted any deposits with in the meaning of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
- (vii) . In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) . We have broadly reviewed the books of accounts maintained by the company pursuant to the order of the Central Government for maintainance of the Companies Act 1956, and are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained.
- (ix) . According to the information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including provident fund, investors Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Cess and any other statutory dues with the appropriate authorities and there were no such outstanding dues as at March 31, 2012 for a period exceeding six months from the date they became payable other than income tax demand for the assessment year 2005-06. RS.2999256.
- (x) . Company is registered for more than five years and the company has accumulated loss of Rs 31.14 lakhs at the end of the financial year and it has incurred cash profit in the financial year while no cash loss found in the preceeding year.
- (xi). Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company did not have any outstanding dues to financial Institutions, banks or debenture holders.
- (xii) . According to the information and expiations given to us, the company has not granted 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 chit or a nidhi / mutual benefit fund /society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the company.
- (xiv) . The company is not in the business of dealing or trading in shares, securities, debenture and other instruments. Accordingly, the provisions of clause 4(xiv) of the order are not applicable to the company.
- (xv) . The company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The Term Loan raised during the year has been applied for the purpose for which the Loan has been obtained.

- (xvii) . According to the information and explanation given to us, and on an overall examination of the balance sheet, the company has not raised any short-term funds, which have been utilized for long-term investment.
- (xviii) . The company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) . During the year covered by our audit report, the Company does not have any outstanding debentures during the year.
- (xx) . We have verified that the end use of money raised by public issue as is disclosed in Note 9 Schedule 15 to the financials statements as per SEBI (Disclosure and Investment Protection) Guidelines 2000.
- (xxi) . Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For Ramasamy Koteswara Rao
Chartered Accountants

sd/-
C V Koteswara Rao
Partner
M No. 28353

Place: Hyderabad
Date: 27.08.2012

INNOCORP LIMITED			
Balance Sheet as at 31 st March 2012			(Amount in Rs.)
Particulars	Note No.	2011-12(Rs)	2010-11(Rs)
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	79,414,000	79,414,000
(b) Reserves and surplus	2	(3,113,870)	(6,654,276)
2 Non-current liabilities			
(a) Long-term borrowings	3	19,941,077	2,052,299
3 Current liabilities			
(a) Short-term borrowings	4	22,837,382	10,910,574
(b) Trade payables		2,314,140	2,041,874
(c) Other current liabilities	5	2,948,555	1,911,778
(d) Short-term provisions	6	149,000	149,000
Total		124,490,285	89,825,249
II. ASSETS			
Non-current assets			
1 (a) Fixed assets	7		
(i) Tangible assets		64,567,993	41,494,642
(ii) Intangible assets		1,050,000	1,050,000
(iii) Capital work-in-progress		402,653	
(b) Deferred tax assets (net)	8	4,304,916	4,082,874
(c) Long-term loans and advances	9	26,524,926	26,874,454
(d) Other non-current assets	10	1,296,270	1,270,370
2 Current assets			
(a) Inventories	11	10,863,883	7,385,119
(b) Trade receivables	12	7,026,291	2,805,080
(c) Cash and cash equivalents	13	332,433	2,268,852
(d) Short-term loans and advances	14	7,914,700	2,416,429
(e) Other current assets	15	206,219	177,430
Total		124,490,285	89,825,249
As per our report of even date		For and on behalf of the Board	
For RAMASAMY KOTESWARA RAO & CO.,			
Chartered Accountants			
Firm Reg No.010396S			
sd/-		sd/-	
C.V.Koteswara Rao		Prasad VSS Garapati	
Partner		Managing Director	
Membership No: 28353		sd/-	
		Sahu Garapati	
		Director	
Place: Hyderabad			
Date :27-08-2012.			

INNOCORP LIMITED				
Profit and loss statement for the year ended 31 st March 2012 (Amount in Rs.)				
Particulars		Refer Note No.	2011-12(Rs)	2010-11(Rs)
I.	Revenue from operations	16	101,796,406	72,508,669
II.	Other income	17	76,596	851,606
III.	Total Revenue (I + II)		101,873,002	73,360,275
IV.	Expenses:			
	Raw Material Consumed	18	54,412,845	40,937,050
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	19	(2,821,213)	(1,209,785)
	Manufacturing Expenses	20	17,054,507	10,253,480
	Employee benefits expense	21	4,408,586	3,335,752
	Finance costs	22	3,934,813	393,300
	Depreciation and amortization expense		5,681,409	4,069,537
	Other expenses	23	15,669,991	14,863,151
	Total expenses		98,340,938	72,642,485
V.	Profit before exceptional and extraordinary items and tax (III-IV)		3,532,064	717,790
VI.	Exceptional items		-	-
	Prior Period adjustment (Net)		(213,700)	84,457
VII.	Profit before extraordinary items and tax (V - VI)		3,318,364	802,247
VIII.	Extraordinary Items		-	-
IX.	Profit before tax (VII- VIII)		3,318,364	802,247
X	Tax expense:			
	(1) Current tax		-	149,000
	(2) Deferred tax		(222,042)	-
XI	Profit (Loss) for the period (XI + XIV)		3,540,406	653,247
XII	Earnings per equity share:			
	(1) Basic		0.45	0.08
	(2) Diluted		0.45	0.08
As per our report of even date			For and on behalf of the Board	
For RAMASAMY KOTESWARA RAO & CO., Chartered Accountants Firm Reg No.010396S				
sd/- C.V.Koteswara Rao Partner Membership No: 28353			sd/- Prasad VSS Garapati Managing Director	
			sd/- Sahu Garapati Director	
Place: Hyderabad Date :27-08-2012.				

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012				
(Rs. in Lakh)				
Particulars	31.03.2012		31.03.2011	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Tax and Prior period & Extra-ordinary Items		35.32		7.18
Add:				
Depreciation on Fixed Assets	56.81		40.70	
Miscellaneous Expenses Written Off			22.30	
Profit on sale of Fixed Assets				
Loss on sale of Fixed Assets	4.74			
Prior period interest in interest account				
Prior period Income / (Expenses)	(2.14)		0.84	
Provision for Deferred Tax				
Income Tax Provision	0.00		1.49	
Fringe Benefit Tax				
Bad Debts / Advances written off				
TOTAL OF ADJUSTMENTS		59.42		65.33
Operating Profit before Working Capital changes		94.74		72.51
Adjustment for working capital changes				
Increase in Stock	(34.79)		(19.33)	
Increase in Debtors & Others	(42.21)		12.91	
(Increase) / decrease in other Current Assets	(55.53)		6.75	
Increase/Decrease in Sundry Creditors	13.09		(105.68)	
Increase/(decrease) differed tax (Assets)		(119.44)	-	(105.35)
Net Cash from Operating Activities		(24.70)		(32.84)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Sale of Fixed assets	9.57		11.39	
Purchase/Adj of assets	(301.87)		(43.03)	
Capital Work in progress	(4.03)			
Sale of Fixed Assets (Net Book Value)				
Decrease in Investments			-	
Net Cash used in Investing Activity		(296.32)		(31.64)
		(296.32)		
C. CASH FLOW FROM FINANCING ACTIVITIES				
Increase / (Decrease) in Borrowings	301.65	301.65	55.03	55.03
Net Cash Flow from Financing Activities		301.65		55.03
Net Increase in Cash and Cash Equivalents:		(19.36)		(9.45)
Opening Balance of Cash & Cash Equivalents		22.68		32.14
Cash & Cash Equivalents as at the end of the year		3.32		22.69

Note 1

Share capital

Share Capital	2011-12		2010-11	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Authorised 12000000 Equity Shares of Rs.10 each	12,000,000	120,000,000	12,000,000	120,000,000
Issued 7941400 Equity Shares of Rs.10 each	7,941,400	79,414,000	7,941,400	79,414,000
Subscribed & Paid up 7941400 Equity Shares of Rs.10 each fully paid	7,941,400	79,414,000	7,941,400	79,414,000
Total	7,941,400	79,414,000	7,941,400	79,414,000

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

	2011-12		2010-11	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Shares outstanding at the beginning of the year	7,941,400	79,414,000	7,941,400	79,414,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	7,941,400	79,414,000	7,941,400	79,414,000

Shares in the company held by each shareholder holding more than 5 percent shares

Name of Shareholder	2011-12		2010-11	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Prasad VSS Garapati	501600	6.32	501600	6.32
Innovations Show Rooms Pvt Ltd	685000	8.63	685000	8.63
Swarnalatha Bandla	1150000	14.48	1150000	14.48
Katragadda Devi Prasad	1025000	12.91	1025000	12.91

Note 2

Reserves and surplus

(Amount in Rs.)

	2011-12	2010-11
a. Capital Reserves		
Investment Subsidy	3,115,130	3,115,130
Closing Balance	3,115,130	3,115,130
b. Securities Premium Account		
Opening Balance	64,705,000	64,705,000
Closing Balance	64,705,000	64,705,000
c. Surplus		
Opening balance	(74,474,406)	(75,127,653)
(+) Net Profit/(Net Loss) For the current year	3,540,406	653,247
Closing Balance	(70,934,000)	(74,474,406)
	(3,113,870)	(6,654,276)

Note 3

Long Term Borrowings

(Amount in Rs.)

	2011-12	2010-11
Secured		
(a) Term loans		
From UCO Bank	16384400	-
(b) Vehicle Loans		
HDFC Bank	701563	-
Magma Fincorp	246670	-
	17332633	-
Unsecured		
Electronica Finance Limited	475 939	-
From Directors and related parties	2,132,505	2,052,299
	2,608,444	2,052,299
Total	19,941,077	2,052,299

Term Loans

(Amount in Rs.)

S.No.	Name of the Bank	Loan Amount	March 31 2012	March 31 2011	Security/Guarant	Repayment Terms	Loan Start date
Secured							
1	UCO BANK	2,15,00,000	2,06,84,000	0	Land, Plant & Machinery	60 Monthly Instalments of which 59@ Rs.3,58,300/- and 60th Rs.3,78,000/-	12.02.2012
2	HDFC BANK - Vehicle Loan	10,10,000	9,86,743	0	Vehicle	60 Monthly EMIs of Rs.23,765/- each	07.02.2012
3	Magma Fincorp Ltd - Vehicle Loan	4,40,000	3,66,670	0	Vehicle	60 Monthly EMIs of Rs.10,000/- each	20.06.2011
Unsecured							
1	ELECTRONICA FINANCE LTD	60,00,000	39,49,939	0	NIL	24 Monthly EMIs of Rs.2,89,500/- each	25.07.2011

(Amount in Rs.)

Loans from Related Parties	2011-12	2010-11
Prasad Garapati-Director	2032505	2052299
Venu Garapati-other	100000	-

Note 4

Short Term Borrowings

(Amount in Rs.)

	2011-12	2010-11
Bank OD A/c		
UCO Bank-cash credit	9,367,195	5,232,562
Secured		
(a) Term loans		
From UCO Bank	4,299,600	-
(b) Vehicle Loans		
HDFC Bank	285,180	-
Magma Fincorp	120,000	-
Unsecured		
Electronica Finance Limited	3,474,000	-
From Other parties	5,291,407	5,678,012
Total	22,837,382	10,910,574

(Amount in Rs.)

S.NO	Name of the Bank	Loan Amount	March 31 2012	March 31 2011	Security/ Guarantee
1	UCO BANK	12,500,000	9,367,195	5,232,562	Stocks & Receivables
2	UCO BANK	21,500,000	4,299,600	-	Land, Plant & Machinery
3	HDFC BANK - Vehicle Loan	1,010,000	285,180	-	Vehicle
4	Magma Fincorp Ltd - Vehicle Loan	440,000	120,000	-	Vehicle

Note 5

Other Current Liabilities-7

(Amount in Rs.)

	2011-12	2010-11
Duties and Taxes	74,399	63,958
Audit fee Payable	101,124	-
Outstanding Expenses	2,229,357	1,791,514
Remuneration Payable	112,440	56,306
Salaries and wages Payable	431,235	-
Total	2,948,555	1,911,778

Note 6

Short Term Provisions

(Amount in Rs.)

	2011-12	2010-11
Provision for Tax	149,000	149,000
Total	149,000	149,000

Note 7 (Amount in Rs.)											
	Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
		Balance as at 1 April 2011	Additions/ (Disposals)	Acquired through business combinations	Revaluations	Balance as at 31 March 2012	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31 March 2012	Balance as at 1 April 2011
a	Tangible Assets										
1	Land	4,871,009	-			4,871,009	-			4,871,009	4,871,009
2	Buildings	8,675,541				8,675,541	289,763			3,814,757	4,860,784
3	Plant and Machinery	37,712,742	24,189,613			61,902,355	3,747,979			17,542,819	44,359,536
4	Furniture and Fixture	501,954	-			501,954	31,774			428,945	73,009
5	Vehicles	3,888,098	2,447,614 (2,869,930)			3,465,782	475,351		1,430,444	279,235	3,186,547
6	Office equipment	484,337	10,850			495,187	30,741			239,026	256,161
7	Electrical Equipment	5,158,532	1,119,045			6,277,577	396,412			4,278,482	1,999,095
8	Computers	298,133	-			298,133	48,327			248,346	49,787
9	Misc. Fixed Assets	141,747	(141,747)			-			149,319	-	(7,572)
10	Moulds (Imported)	3,216,350	2,419,552			5,635,902	661,061			723,836	4,912,066
	Total	64,948,443	27,174,997	-	-	92,123,440	5,681,409	-	1,579,763	27,555,447	41,494,642
b	Intangible Assets										
11	Goodwill	1,050,000				1,050,000	-			-	1,050,000
	Total	1,050,000	-	-	-	1,050,000	-	-	-	-	1,050,000
	Capital work in Progress		402,653			402,653	-			-	402,653
	Total	65,998,443	27,174,997	-	-	93,173,440	5,681,409	-	1,579,763	27,555,447	42,544,642
						23,453,801					65,617,993

Note No.8

(Amount in Rs.)

Deferred Tax Asset up to 2010-11 F Y		4,082,874
Depreciation As per I T	4,962,825	
Depreciation As per ROC	5,681,409	
Deferred Tax Asset	(718,583)	(222,042)
Deferred Tax Asset upto 2011-12 F.Y		4,304,916

Note 9

Long Term loans and Advances

(Amount in Rs.)

	2011-12	2010-11
Advances given to Inno Projects (P) Ltd.	26,524,926	26,874,454
	26,524,926	26,874,454

Related Party Transaction

(Amount in Rs.)

	2011-12	2010-11
Private Company in which director is a member Inno Projects (p) Ltd.	26,524,926	26,874,454
	26,524,926	26,874,454

Note 10

Other non-current assets

(Amount in Rs.)

	2011-12	2010-11
Others (Deposits -Asset)		
Deposit-CESTAT Case	8,698	8,698
Deposits with Electricity Department	1,247,600	1,247,600
Deposits with the Telephone Department	4,072	4,072
Sales Tax Deposit	35,900	10,000
Total	1,296,270	1,270,370

Note 11

Inventories

(Amount in Rs.)

	2011-12	2010-11
a. Raw Materials and components	5,333,777	4,676,226
b. Finished goods	738,284	238,907
c. Stock-in-trade	4,791,822	2,469,986
Total	10,863,883	7,385,119

Note 12

Trade Receivables

(Amount in Rs.)

	2011-12	2010-11
Trade receivables outstanding for a period less Un Secured, considered good	7,026,291	2,805,080
Total	7,026,291	2,805,080

Note 13

Cash and cash equivalents

(Amount in Rs.)

	2011-12	2010-11
Balances with banks	242,097	2,218,533
Cash on hand	90,336	50,319
Total	332,433	2,268,852

Note 14

Short-term loans and advances

(Amount in Rs.)

	2011-12	2010-11
Security Deposits (EFL)	868,500	-
Inno Projects Pvt. Ltd.,(GTPL)	217,500	205,000
Other Advances	6,828,700	2,211,429
Total	7,914,700	2,416,429

Related Party Transaction

(Amount in Rs.)

Particulars	2011-12	2010-11
Inno Projects Pvt. Ltd.,(GTPL)	217,500	205,000
Innofoods I	38,689	-
Innofoods II	4,404,768	1,293,976
Total	4,660,957	1,498,976

Note 15

Other Current Assets

(Amount in Rs.)

Particulars	2011-12	2010-11
Service Tax	86,798	63,585
TDS Receivables	72,081	59,105
Interest on ICD Receivables	47,340	54,740
Total	206,219	177,430

Note

a) Contingent liabilities and commitments (to the extent not provided for)

	2011-12	2010-11
(i) Contingent Liabilities		
(a) Claims against the company not acknowledged	NIL	NIL
(b) Guarantees		
(c) Other money for which the company is	-	-
(ii) Commitments		
(a) Estimated amount of contracts remaining to be	NIL	NIL
(b) Uncalled liability on shares and other		
(c) Other commitments (specify nature)	-	-
	-	-

b) Details of Dividend Payment

Particulars	Total	Per share
Dividends proposed to be distributed to equity		
Dividends proposed to be distributed to preference	NIL	NIL
Arrears of fixed cumulative dividends on preference		

c) Where in respect of an issue of securities made for a specific purpose, the whole or part of the amount

has not been used for the specific purpose at the Balance sheet date, indicate below how much unutilized amounts have been used or invested.

NIL

d) In the opinion of the Board, all assets other than fixed assets and non current investments, have a realisable value in the ordinary course of business which is not different from the amount at which it is stated except as stated below.

Name of Assets	Realisable Value	Value in Balance Sheet	Opinion of Board

Note 16

Revenue from operations

(Amount in Rs.)

	2011-12	2010-11
Domestic Sales	105,632,233	76,429,255
Less: Excise Duty	3,835,827	3,920,586
Total	101,796,406	72,508,669

Note 17

Other income

(Amount in Rs.)

	2011-12	2010-11
Interest Income (in case of a company other than a finance company)	47,340	-
Other non-operating income (net of expenses directly attributable to such Income)	29,256	851,606
Total	76,596	851,606

Note 18

Raw Material Consumed

(Amount in Rs.)

	2011-12	2010-11
Opening Raw Material	4,676,226	3,953,086
Add: Purchases	55,070,396	41,660,190
Less: Closing Stock	5,333,777	4,676,226
	54,412,845	40,937,050

Note 19

Changes in inventories of finished goods work-in-progress and Stock-in-Trade

	2011-12	2010-11
Opening Stock :		
Work-in-Process	72,052	142,237
Finished Goods	166,855	1,147,700
Traded Items	2,469,986	209,171
	2,708,893	1,499,108
Closing Stock :		
Finished Goods	738,284	238,907
Traded Items	4,791,822	2,469,986
	5,530,106	2,708,893
Total	(2,821,213)	(1,209,785)

Note 20
Manufacturing Expenses

(Amount in Rs.)

Particulars	2011-12	2010-11
Consumables & Stores	4,648,732	789,968
Workmen charges	3,092,243	2,402,621
Power & fuel	6,117,500	4,518,875
Fright In ward	574,645	465,851
Repairs to Machinery	1,124,994	542,852
Repairs to Buildings	973,260	1,276,755
Water Charges	81,798	31,475
Labour/Processing Charges	441,335	225,083
Total	17,054,507	10,253,480

Note 21
Employee Benefits Expense

(Amount in Rs.)

	2011-12	2010-11
Staff Salaries	2,657,191	2,031,971
Employer Contribution to PF	104,501	100,398
Employer Contribution to ESI	38,871	35,117
Staff Welfare	168,023	128,266
Directors Remuneration and other benefits	1,440,000	1,040,000
Total	4,408,586	3,335,752

Note 22
Finance costs

(Amount in Rs.)

	2011-12	2010-11
Bank & LC Discounting Charges	14,278	16,302
Commitment Charges Uco Bank & EFL	117,572	93,751
Inspection Charges-UCO Bank	394,400	15,000
Interest on EFL Loan	555,439	81,600
Interest on CC	1,305,977	186,647
Interest on HDFC Bank Loan	24,273	-
Interest on Magma Fincorp Ltd Loan	26,670	-
Interest on Term Loan (UCO BANK)	1,425,164	-
Renewal Charges	43,750	-
Other Finance Charges	27,290	-
Total	3,934,813	393,300

Note 23

Other expenses

(Amount in Rs.)

PARTICULARS	2011-12	2010-11
Audit fee	112,360	110,300
Advertisement Expenses	20,115	16,846
BSE & NSDL Expenses	33,522	18,063
BSE Renewal Charges	27,725	16,545
Bad debts/Advances written off	691,852	1,495,733
Computer Exp	22,475	9,411
Donations	-	1,000
E D L I (EPF)	13,076	9,287
Insurance	161,951	39,154
Interest on Tds/Others	-	70,548
Internet Charges	10,349	16,983
Job Work Charges	242,400	464,902
Loss on Sale of Vehicles	474,486	-
Maintenance	298,207	272,748
Medical Expenses	1,450	702
Miscellaneous Expenditure written off	-	2,229,782
Miscellaneous & Other Expenses	5,669	5,993
Office Expenses	327,799	200,031
Postage & Telephones	106,914	176,579
Printing & Stationary	91,698	101,044
Professional & Consultancy Charges	457,680	137,329
Rates & Taxes	112,570	155,197
Security Charges	218,405	172,748
Service Charges	5,500	-
VAT	11,581,849	8,045,225
Travelling & Conveyance	544,156	875,316
Vehical Maintainance	107,783	221,685
Total	15,669,991	14,863,151

MEASUREMENT AND DISCLOSURES AS PER ACCOUNTING STANDARDS

1. Significant Accounting Policies – (AS-1):**(a) Basis of Preparation of Financial Statements:**

Financial statements have been prepared and presented under historical cost convention in accordance with the accounting principles generally accepted in India having due regard to fundamental accounting assumptions of going concern, consistency and accrual and comply with the Accounting Standards referred to in Sec.211 (3C) of the Companies Act, 1956 as applicable and with the relevant provisions of the Companies Act, 1956.

(b) Use of Estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

(c) Revenue Recognition:

Revenue from sale of goods is recognized when significant risks and rewards in respect of ownership of products are transferred to customers. Revenue from domestic sales of products is recognized on dispatch of products. Revenue from export sales is recognized on shipment of products. Revenue from products is stated inclusive of duties, taxes but exclusive of returns, and applicable trade discounts and allowances.

Revenue from services is recognized as per the terms of contract with customers when the related services are performed, or the agreed milestones are achieved.

(d) Fixed Assets:

Fixed assets are carried at cost of acquisition less accumulated depreciation. Fixed assets which were revalued were carried at revalued values.

Cost includes non-refundable taxes, duties, freight, borrowing costs and other incidental expenses related to the acquisition and installation of the respective assets.

Fixed assets which are found to be not usable or retired from active use or when no further benefits are expected from their use are removed from the books of account and the difference if any, between the cost of such assets and the accumulated depreciation thereon is charged to Statement of Profit & Loss.

(e) Depreciation:

Depreciation on fixed assets under Straight-Line Method (SLM) at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

(f) Valuation of Inventories:

Inventories are valued at the lower of cost and net realizable value.

Cost is arrived at by using weighted average method and includes all costs of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

(g) Tax Expense:

Deferred tax resulting from "Timing Difference" between book and taxable profit is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the asset will be realized in future.

Provision is made for tax on Income and dividend distribution tax as per the applicable provisions of Income Tax Act, 1961.

(h) Foreign Exchange Transactions:

Exchange differences arising out of foreign currency transaction are recorded at the exchange rates prevailing at the transaction date.

(i) Employee Benefits:

Retirement benefits to employees comprise of payments under Defined Contribution Plans like Provident Fund and payments under Defined Benefit Schemes like Gratuity and Leave encashment.

Payments under defined contribution plans are charged to revenue on accrual. The liability in respect of defined benefit schemes is arrived based on actuarial valuation made at the end of the year by using projected unit credit method

(j) Borrowing Costs:

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

(k) Accounting Policies:

Accounting policies for segment reporting are the same as adopted in preparation and presentation of the financial statements of the Company.

(l) Cenvat Credit :

Excise duty paid on inputs is debited to a separate account namely cenvat on Raw Material Account. This account is credited as and when cenvat actually utilised against payment of excise duty on Final dispatches. Balance in cenvat on Raw Materials is shown on assets side of Balance sheet under the Current assets.

(m) Related party disclosures (AS-18):

(i) Key Management Personnel:

Prasad VSS Garapati
Chairman & Managing Director

(ii) Names of related parties:

1. Inno Projects (p) Ltd
2. Innofoods I
3. Innofoods II

(iii) Particulars of transactions with related parties:

Sl. No.	Particulars	Current Year (Rs)	Previous year (Rs)
a)	Remuneration to - Charman and Managing Director Prasad Garapati K.Saraswathi Sahu Garapati	600000 600000 240000	600000 600000 240000
(b)	Loan from Related party Venu Garapati	100000	-

(n) Earnings Per Share– (AS-20):

	Current year	Previous year
a) Net profit for the year	Rs.3540406	Rs. 653247
b) Weighted average no. of shares outstanding during the year	7941400	7941400
c) Basic and diluted earnings per share	Rs. 0.45	Rs. 0.08
d) Nominal value of the share(Fully paid Rs)	10	10

(o)

- a) Previous year figures have been regrouped and rearranged wherever necessary.
b) Paisas have been rounded off to the nearest rupee.

(p)

(Amount in Rs.)

Prior-period Items	Current Year 2011-2012	Previous Year 2010-2011
Expenses	221271	-
Incomes	7572	84457
	228843	84457

(q) Contingent Liabilities and commitments – (AS-29):
Contingent Liabilities: -NIL-
(r). Details of imported & indigenous Raw Materials, Spare parts and components consumed and their percentage to the total consumption

	Current Year (Year ended with March, 2012)		Previous year (Year ended with March, 2011)	
	(%) to total consumption	Value Rs. in Lakh	(%) to total consumption	Value Rs. in Lakh
(a) Raw Materials:				
Indigenous	100%	544.13	100%	409.37
Imported	-	-	-	-
TOTAL	100%	544.13	100%	409.37
(b) Spare parts & Components:				
Indigenous	100%	46.49	100%	7.90
Imported	-	-	-	-
	100%	46.49	100%	7.90

(s). General Notes to the financial statements :

- (i) Statement of Profit & Loss for the year has been prepared showing the following separately as per Schedule-VI (Revised):
 - (ii) Previous year's figures have been regrouped wherever necessary to conform to the format of revised Schedule-VI and the layout adopted in the current year.
-

Per our report of even date attached.
For RAMASAMY KOTESWARA RAO & CO.,
Chartered Accountants
(Firm Regn N010396S)

For and on behalf of the Board

sd/-
C.V.Koteswara Rao
Partner
Membership No: 28353

sd/-
Prasad VSS Garapati
Managing Director

sd/-
Sahu Garapati
Director

Place: Hyderabad
Date :27-08-2012.

INNOCORP LIMITED
Regd. Office: Plot No.41, IDA Mallapur, Hyderabad-500076

PROXY FORM

Regd. Folio No.....

I/We.....of.....in the district
Of.....being a member /members of
the above named company hereby appoint.....
of.....in the district of.....as
my / our proxy to vote for me / us on my / our behalf at the 18th Annual General
Meeting to be held on Saturday, 29th September, 2012 at 11.00 A.M at the Registered
office of the company and at any adjournment thereof.

Affix Re.1/-Revenue Stamp

Note: This form is order to be effective should be duly stamped, completed and signed
and must be deposited at the registered office of the company, not less than 48 hours
before the meeting.

INNOCORP LIMITED
Regd. Office: Plot No.41, IDA Mallapur, Hyderabad-500076
ATTENDANCE SLIP

18th Annual General Meeting- 29th September 2012

Regd. Folio No.....

I certify that I am a registered share holder/Proxy for the registered share holder of the
company.

I hereby record my presence at the 18th Annual General Meeting of the Company at the
registered office of the company on Saturday, 29th September, 2012.

Member/s/Proxy's Name
(In block letters)

Member/s/Proxy's Signature

Note: Please fill in this attendance slip and hand it over at the entrance of the Hall.

BOOK - POST

If undelivered please return to :

INNOCORP LIMITED

REGISTERED OFFICE :

Plot No. 41, IDA Mallapur, HYDERABAD - 500 076.