

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 /

INCAP LIMITED

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.

INCAP LIMITED

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

INCAP LIMITED

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.

INCAP LIMITED

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

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of **INCAP LIMITED**

We have examined the compliance of conditions of corporate governance by INCAP LIMITED, for the year ended on 31st March, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange(s).

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

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

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

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

For **PURNACHANDRA RAO & CO.,**
Chartered Accountants,
Firm Regn. No.002802S

VIJAYAWADA
30th July, 2013

(CA. G.BABU SRIKAR)
Partner
M. No.202335

- iii) The Details of attendance of each Director at the Board Meetings, last Annual General Meeting and their composition, category and other Directorships as follows:

Name of the Director	Category	Attendance Particulars	
		Board Meetings	Last AGM
Sri C.Bhagavantha Rao	Non-Independent Executive	4	Yes
Sri P.Ram Rao	Non-Independent Non-Executive	3	Yes
Sri K.Rajendra Prasad	Independent Nominee	1	No
Smt C.Neelima	Non-Independent Executive	4	Yes

3. AUDIT COMMITTEE :

3.1 Composition :

The Audit Committee comprises of three directors as composition of the committee.

3.2 Brief description of terms and reference :

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

- a) To review the results announcement and the report and accounts at the end of quarter, half year and the full year before submission of the Board, focusing particularly on.
 - i) Any changes in accounting policies and practices.
 - ii) Compliance with accepted accounting standards.
 - iii) Major judgmental decisions etc.
- b) To consider appointment of Statutory Auditors, the Audit Fee, and any matter of resignation and dismissal.
- c) To discuss with the Statutory Auditors, the Audit commences the nature and scope of the Audit.
- d) To review the effectiveness of the system of internal financial controls and discuss the same periodically with the statutory auditors.
- e) To discuss problems and reservations arising from the statutory audit and any matters the statutory auditor may wish to discuss.
- f) To consider other topics as may be delegated by the Board from time to time.

3.3 Meeting during the year :

During the financial year 2012-2013, the Audit Committee met 4 times on following dates with full strength:

1. 31st May, 2012
2. 28th July, 2012
3. 31st October, 2012
4. 30th January, 2013

4. REMUNERATION OF DIRECTORS:

The Company does not remunerate the Non-Executive Directors of the Company except for the payment of sitting fees for attending each Meeting of the Board of Committee thereof. Remuneration of Executive Directors is fixed by the Board and approved by shareholder at the Annual General Meeting. Particulars of their remuneration for the year ended 31st March, 2013 are given below:

Name of the Director	Remuneration				
	Sitting Fee	Salary Rs.	Perquisites Rs.	Commission Rs.	Total Rs.
Executive Directors :					
Sri C.Bhagavantha Rao	Nil	600000	171000	Nil	771000
Smt C.Neelima	Nil	270000	180000	Nil	450000
Non-Executive Directors:					
Sri P.Ram Rao	6000	Nil	Nil	Nil	6000
Sri P.Rajeswara Rao	2000	Nil	Nil	Nil	2000

5. INVESTORS AND SHAREHOLDER'S 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 certificate, balance sheets, dividends etc.

The Committee comprises of three directors as composition of the Committee.

6. GENERAL BODY MEETINGS :

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

Financial Year	:	2009-2010
Venue	:	Registered Office, 1-58, Nidamanuru, Vijayawada-521104
Date	:	25-09-2010
Time	:	12.00 Noon
Financial Year	:	2010-2011
Venue	:	Registered Office, 1-58, Nidamanuru, Vijayawada-521104
Date	:	24-09-2011
Time	:	12.00 Noon
Financial Year	:	2011-2012
Venue	:	Registered Office, 1-58, Nidamanuru, Vijayawada-521104
Date	:	29-09-2012
Time	:	12.00 Noon

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

INCAP LIMITED

7. DISCLOSURES :

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

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

8. MEANS OF COMMUNICATION :

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

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

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

9. GENERAL SHAREHOLDERS INFORMATION :

i) Annual General Meeting

Venue : 28th September, 2013 Registered Office
1-58, Nidamanur, Vijayawada-521104.

ii) Financial Calendar : The Company follows April to March as its financial year. The results of every quarter are declared in the month following the quarter, as per the provision of Listing Agreement.

iii) Date of Book Closure : 25th September, 2013 to 27th September, 2013 (Both days inclusive)

v) Dividend History :

Year	Total Amount of Dividend paid Rs.	Date of AGM in which dividend was declared	Date of Payment	Unclaimed dividend as on 31.03.2013 Rs
2003-2004	46,53,200/-	28.08.2004	15.09.2004	152675
2004-2005	46,53,200/-	27.08.2005	22.09.2005	165306
2005-2006	46,53,200/-	02.08.2006	21.08.2006	195097
2006-2007	46,53,200/-	25.08.2007	13.09.2007	197644
2007-2008	46,53,200/-	27.09.2008	16.10.2008	232316
2008-2009	23,26,600/-	19.09.2009	14.10.2009	144814
2009-2010	27,91,920/-	25.09.2010	18.10.2010	198126

INCAP LIMITED

- vi) Listing on Stock Exchange : Bombay Stock Exchange, Mumbai
- vii) Company Stock code : BSE – 517370
- viii) Stock Market Data : The monthly high and low quotations of Company's shares at Bombay Stock Exchange (BSE) during the year under review are as under:

Month	High (Rs.)	Low (Rs.)
April, 2012	9.30	8.32
May, 2012	10.60	8.62
June, 2012	10.85	9.00
July, 2012	11.25	9.48
Aug., 2012	10.41	8.50
Sept., 2012	10.89	9.17
Oct., 2012	11.00	9.18
Nov., 2012	10.69	9.25
Dec., 2012	10.45	9.18
Jan., 2013	10.99	9.50
Feb., 2013	9.97	9.20
March, 2013	10.47	9.27

- ix) Registrar and Share Transfer Agents : M/s. Venture Capital and Corporate Investments Private Limited, 12-10-167, Bharat Nagar, Hyderabad-500018.
- x) Share Transfer System : Transfer of securities in physical form are registered and, duly transferred share certificates are dispatched within 30 days of receipt, provided the documents are in order. With regard to Shares in demat mode, the procedure is adopted as per the provisions of Depositories Act, 1996.

INCAP LIMITED

xi) Distribution of Shareholding :

Number of Shares held	Number of Shareholders	Percentage of Shareholders	Paid-up value of Shares held Rs	Percentage of Total paid-up Capital
Upto - 5000	2731	87.14	4604340	8.97
5001 - 10000	212	6.76	1821130	3.55
10001 - 20000	90	2.87	1424480	2.77
20001 - 30000	28	0.89	735320	1.43
30001 - 40000	15	0.48	538210	1.05
40001 - 50000	18	0.57	856240	1.67
50001 - 100000	17	0.54	1297520	2.53
100001 and above	23	0.73	40054760	78.03
TOTAL	3134	100.00	51332000	100.00

xii) Dematerialization of Shares & Liquidity

: As on 31st March, 2013, 83.94% (43,09,060 Equity Shares) of paid up capital have been dematerialized.

xiii) Plant locations

: Incap Limited, 1-58, Nidamanuru, Vijayawada-521104, N.H.5 Road, Krishna Dist., A.P.

xiv) Address for Correspondence

: All share holders complaints/queries in respect of their shareholding may be addressed to:

Incap limited, 1-58, Nidamanuru, Vijayawada-521104.

Email : investorsincap@gmail.com

Phone : 0866-2842479; 571

Fax : 0866-2842572

For and on behalf of the Board

VIJAYAWADA
30th July, 2013**C.BHAGAVANTHA RAO**
MANAGING DIRECTOR

CEO/CFO Certification

The Board of Directors

Incap Limited

- a) We have reviewed the financial Statements, read with the cash flow statement of Incap Limited for the year ended 31st March, 2013 and that to the best of our knowledge and belief, we state that:

These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

- b) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

- c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

- d) They have indicated to the auditors and the audit committee:-

Significant changes, if any, in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For INCAP LIMITED

C.BHAGAVANTHA RAO
MANAGING DIRECTOR

VIJAYAWADA
30th July, 2013

AUDITOR'S REPORT**TO THE MEMBER OF INCAP LIMITED**

1. We, M/s. Purnachandra Rao & Co., Chartered Accountants, have audited the attached Balance Sheet of Incap Limited, as at March 31, 2013 the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclosed in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) 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;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section 3(C) of section 211 of the Companies Act, 1956.
5. On the basis of written representations received from the directors, as on 31st March, 2013 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
6. In our opinion and the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and notes thereon given the information required by the Companies Act, 1956, in the manner so required and given a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
 - b) In the case of Profit and Loss Account, of the profit for the year ended on that date; and
 - c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **PURNACHANDRA RAO & CO.**,
Chartered Accountants,
Firm Regn. No.002802S

(CA. G.BABU SRIKAR)

Partner

M.No.202335

VIJAYAWADA
30th July, 2013

ANNEXURE TO AUDITORS' REPORT OF EVEN DATE

Referred to in paragraph 3 of our report of even date to the members of Incap Limited on the Financial Statements for the year ended 31st March, 2013.

- i. (a) The Company has maintained proper records showing full particulars, including Quantitative details and situation of its fixed assets;
(b) All the assets have been physically verified by the management during the year. There is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
(c) In our opinion and according to the information and explanations given to us, no substantial parts of fixed assets have been disposed off by the Company during the year.
- ii. (a) The Inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) The company is maintaining proper records of inventory the discrepancies notice on verification between the physical stock and the book record were not material.
- iii. (a) The Company not granted any loans, secured or unsecured to companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956. In view of iii (a) above, clauses iii (b), iii (c), iii(d) are not applicable.
(e) The company has taken unsecured loan from one party covered in the Register maintained U/s.301 of the Companies Act, 1956. The year end balance of the loan taken from M/s. Cardinal Electrical Equipments (Whole-time Director is the Proprietor) is Rs.1,40,70,000/-.
(f) The terms and conditions on which loans have been taken from other parties listed in the register maintained u/s 301 of the Companies Act, 1956 are not prima-facie prejudicial to the interests of the company.
(g) There are no terms and conditions attached as to the repayment of principal on interest-free unsecured loans taken from other parties list in the register maintained u/s 301 of the Companies Act, 1956. Hence there is no overdue amount of loans from other parties listed in the register maintained u/s301 of the Companies Act, 1956.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- v. According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the Register required to be maintained under that section.
- vi. The company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of Cost records under section 209 (1) (d) of the Companies Act, 1956, related to the manufacture of Aluminium Electrolytic Capacitors and Silicon

INCAP LIMITED

Rubber Insulators and are of the opinion that prima facie, the prescribed accounts and record have been made and maintained. We have not, however, made a detailed examination of the same.

- ix. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Customs Duty, Excise Duty, Service Tax, Cess and other material statutory dues applicable to it.
- (b) According to the information and explanation given to us, there are no dues of Sales Tax, Service Tax, Income Tax, Customs duty and Excise duty which have not been deposited on account of any dispute.
- x. No accumulated losses are there at the end of the financial year 2012-2013. The company has not incurred cash losses during the financial year covered by our audit and in the immediate preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to the financial institution, bank or debentures holders.
- xii. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the company is not chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
- xiv. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the companies (Auditor's Report) order, 2003 are not applicable to the company.
- xv. The company has not given guarantee for loans taken by others from banks and financial institutions during the year.
- xvi. In our opinion the term loans have been applied for the purpose for which they were raised.
- xvii. According to the information and explanation given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered the register maintained under section 301 of the Act during the year.
- xix. The Company has not issued debentures during the year. Hence Clause (xix) is not applicable.
- xx. The Company has not raised any money by way of public issues during the year.
- xxi. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For PURNACHANDRA RAO & CO.,

Chartered Accountants,
Firm Regn. No.002802S

(CA. G.BABU SRIKAR)

Partner
M. No.202335

VIJAYAWADA
30th July, 2013

INCAP LIMITED
BALANCE SHEET AS AT 31st MARCH, 2013

Particulars	Note No.	31 st March, 2013		31 st March, 2012	
		Rs.		Rs.	
I. EQUITY AND LIABILITIES					
1. Shareholder's Fund					
(a) Share Capital	2	51,332,000		51,332,000	
(b) Reserves & Surplus	3	24,711,452	76,043,452	18,368,283	69,700,283
(2) Share Application Money pending allotment					
(3) Non Current Liabilities					
(a) Long Term Borrowings	4	14,070,000		6,412,564	
(b) Deferred Tax Liabilities (Net)	5	2,693,477		3,913,680	
(c) Other Long term Liabilities	6	421,317		601,766	
(d) Long - Term Provisions		-	17,184,794	-	10,928,010
(4) Current Liabilities					
(a) Short- term Borrowings	7	46,853,843		55,490,564	
(b) Trade Payables	8	37,039,219		7,098,320	
(c) Other Current Liabilities	9	40,445,414		19,678,174	
(d) Short -Term Provisions	10	10,063,285	134,401,761	4,963,368	87,230,426
Total Equity & Liabilities			227,630,007	167,858,719	
II. ASSETS					
(1) Non Current Assets					
(a) Fixed Assets	11				
(i) Tangible Assets		29,961,285		36,436,383	
(ii) Intangible Assets		3,998,332		5,997,498	
(iii) Capital Work-in-Progress		-		-	
(iv) Intangible Assets under Development		-		-	
(b) Non-Current Investments		-		-	
(d) Deferred Tax Assets (Net)		-		-	
(d) Long term loans and advances	12	-		11,500,000	
(e) Other Non-Current Assets			33,959,617		53,933,881
(2) Current Assets					
(a) Current Investments					
(b) Inventories	13	38,868,816		37,476,602	
(c) Trade receivables	14	101,294,821		39,043,752	
(d) Cash and cash equivalents	15	10,283,482		12,456,510	
(e) Short-term loans and advances	16	28,827,950		16,195,868	
(f) Other current assets	17	14,395,321	193,670,390	8,752,106	113,924,838
Total Assets			227,630,007	167,858,719	
Notes to Accounts	1				

For **PURNACHANDRA RAO & CO.,**

Chartered Accountants,
Firm Regn. No.002802S

(CA. G.BABU SRIKAR)

Partner

M.No.202335

VIJAYAWADA
30th July, 2013

For and on behalf of the Board

C.BHAGAVANTHA RAO
MANAGING DIRECTOR

C.Neelima
Director

INCAP LIMITED**PROFIT AND LOSS STATEMENT FOR THE PROFIT ENDED ON 31ST MARCH, 2013**

Sr. No.	Particulars	Note No.	31st March, 2013 Rs.	31st March, 2012 Rs.
I	Revenue from operations	18	351,841,031	176,012,526
II	Other income	19	1,518,454	7,968,454
III	III. Total Revenue (I+II)		353,359,485	183,980,980
IV	Expenses :			
	Cost of materials consumed	20	238,614,655	127,333,441
	Changes in inventories of finished goods, work-in- Progress and Stock-in-Trade	21	(3,822,623)	1,735,077
	Employee Benefit Expenses	22	12,649,041	12,208,060
	Financial Costs	23	11,634,054	9,789,562
	Depreciation and Amortization Expenses	24	9,082,386	9,190,765
	Other Expenses	25	75,002,350	21,522,063
	Total Expenses (IV)		343,159,863	181,778,968
V	Profit before exceptional and extraordinary items and tax (III - IV)		10,199,622	2,202,012
VI	Exceptional items		-	-
VII	Profit before extraordinary items and tax (V-VI)		10,199,622	2,202,012
VIII	Extraordinary items		-	-
IX	Profit before tax (VII-VIII)		10,199,622	2,202,012
X	Tax expense :			
	(1) Current tax		5,000,648	1,949,790
	(2) Deferred tax		(1,220,203)	(1,254,996)
XI	Profit (Loss) from the period from continuing operations (IX-X)		6,419,177	1,507,218
XII	Profit/(Loss) from discontinuing operations		-	-
XIII	Tax expense of discounting operations		-	-
XIV	Profit/(Loss) from Discontinuing operations (XII-XIII)		6,419,177	1,507,218
XV	Profit /(Loss) for the period (XI+XIV)		6,419,177	1,507,218
XVI	Earning per equity share :			
	(1) Basic		1.25	0.29
	(2) Diluted		1.25	0.29
	(3) Book Value		14.56	13.17

For **PURNACHANDRA RAO & CO.,**
Chartered Accountants,
Firm Regn. No.002802S

(CA. G.BABU SRIKAR)

VIJAYAWADA
30th July, 2013

Partner
M.No.202335

For and on behalf of the Board

C.BHAGAVANTHA RAO
MANAGING DIRECTOR

C.Neelima
Director

INCAP LIMITED
1-58 Nidamanuru, Vijayawada - 521 104
CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2013

PARTICULARS	For the year ending	
	31st March, 2013 Rs.	31st March, 2012 Rs.
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax and Extrordinary items	6,419,177	1,507,218
Adjustments :-		
Depreciation	7,083,220	7,191,599
Goodwill Written Off	1,999,166	1,999,166
Deferred Tax Liability	(1,220,203)	(1,254,996)
Loss on sale of Assets	175,187	309,380
Interest Paid on Loans	11,634,054	9,789,562
Interest Received	(1,377,201)	(3,693,642)
Amounts withdrawn from reserves	(76,008)	(76,008)
Profit on sale of Assets	-	(198,714)
Operating Profit Before Working Capital Changes	24,637,392	15,573,565
Adjustments for Working Capital Changes:		
Decrease/(Increase) in Inventories	(1,392,214)	(1,560,839)
Decrease/(Increase) in Trade Receivables	(62,251,069)	(7,104,877)
Decrease/(Increase) in Loans and Advances	(1,132,082)	(16,390,477)
Decrease/(Increase) in Other Current Assets	(5,643,215)	192,493
Increase /(Decrease) in Trade payables	29,940,899	(11,132)
Increase /(Decrease) in Current Liabilities	22,522,509	(2,614,355)
ADJUSTMENTS IN WORKING CAPITAL	(17,955,172)	(27,489,187)
Cash Generated from Operations	6,682,220	(11,915,622)
Income Tax Paid/Provided	(5,000,648)	(1,949,790)
Net Cash From Operating Activities {A}	11,682,868	(9,965,832)
B CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed assets	(936,880)	(2,977,808)
Sale of Fixed Assets	153,571	430,061

INCAP LIMITED

PARTICULARS	For the year ending	
	31st March, 2013 Rs.	31st March, 2012 Rs.
Interest Received	1,377,201	3,693,642
Net Cash Used In Investing Activities : {B}	593,892	1,145,895
C CASH FLOW FROM FINANCING ACTIVITIES:		
Increase in Share Capital	-	5,040,000
Availment of Long Term Borrowings	7,657,436	-
Repayment of Long Term Borrowings	(3,091,366)	(5,479,500)
Availment of Short Term Borrowings	(7,381,804)	8,188,957
Interest paid on Borrowings	(11,634,054)	(9,789,562)
Net Cash Used in Financing Activities {C}	(14,449,788)	(2,040,105)
D NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(2,173,028)	(10,860,042)
Cash and Cash Equivalents at the beginning of the period	12,456,510	23,316,551
Cash and Cash Equivalents at the end of the period	10,283,482	12,456,510
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(2,173,028)	(10,860,042)
Cash on hand	24,302	51,852
Balances held with banks	10,259,180	12,404,658
Cash and cash equivalents as restated	10,283,482	12,456,510

This is the Cash Flow Statement referred to in our report of even date

For **PURNACHANDRA RAO & CO.,**

Chartered Accountants,

Firm Regn. No.002802S

(CA. G.BABU SRIKAR)

Partner

M. No.202335

For and on behalf of the Board

C.BHAGAVANTHA RAO

MANAGING DIRECTOR

VIJAYAWADA

30th July, 2013

C.Neelima

Director

Note – 1: ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:**A) SIGNIFICANT ACCOUNTING POLICIES****1. GENERAL:**

The Financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 as consistently adopted by the Company. The accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

2. FIXED ASSETS:

Fixed Assets are stated at cost of acquisition inclusive of freight, taxes and other incidental expenses.

3. DEPRECIATION:

Depreciation on fixed assets is provided on straight line method at the rates specified in schedule XIV to the Companies Act, 1956.

4. IMPAIRMENT:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

5. INVESTMENTS:

Current investments are carried at lower of cost or market value. The determination of the carrying costs of such investments is done on the basis of specific identification.

6. SALES:

Sales are inclusive of Excise Duty, Education Cess, S.H.Education Cess and net of returns.

7. INVENTORIES:

Raw materials and Work-in-progress are value at cost. Finished Goods are valued at cost or net realizable value whichever is less. Consumables are valued at cost.

8. EXCISE DUTY/CUSTOMS DUTY:

In compliance with the requirements of Accounting standard-2, 'Valuation of Inventories', the company has provided excise duty/customs duty liability on stocks lying in bond as on the Balance Sheet date and included the same in valuation of such stocks. There is no impact on the profit for the year.

INCAP LIMITED

9. FOREIGN CURRENCY TRANSACTIONS :

All foreign currency transactions are accounted for at the rates prevailing on the dates of the transactions.

10. EMPLOYEE'S RETIREMENT BENEFITS:

Payment for gratuity liability is made on the basis of premium actuarially assessed and intimated by the Life Insurance Corporation of India, in terms of the policy taken out with them.

11. TAXES ON INCOME :

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provision on the Income Tax Act, 1961, and based on expected outcome of assessments/appeals.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

NOTES FORMING PART OF ACCOUNTS :

1. Contingent Liabilities :

(Rs. in Lakhs)

Particulars	2012-2013	2011-2012
Letter of Credit	185.48	58.89
Bank Guarantees	248.50	385.73
Total	433.98	444.62

2. Secured Loans: Working capital facilities from banks are secured by hypothecation of stocks of raw materials, semi finished goods, finished goods, stores and spares and book debts and first charge on Fixed Assets of the Company in favour of State Bank of India, Patamata Branch, Vijayawada and State Bank of Hyderabad, Governorpet Branch, Vijayawada on pari passu basis.

3. Current Assets and Current Liabilities: Sundry Debtors, Loans and Advances and Sundry Creditors balance are subject to confirmation by the parties. Fixed Deposits with Banks to the extent of Rs. 31.27 Lakhs are pledged with bankers towards margin money for Letters of Credit and Rs.57.07 Lakhs are pledged with banker towards margin for Bank Guarantees.

4. No amount is due to any small-scale industry in excess of Rs.1,00,000 or more than 30 days.

5. Provision is made for regular Income tax as per provisions of Income Tax Act, 1961.

INCAP LIMITED

Deferred Tax:

Deferred Tax is computed on the timing differences as per Accounting Standard-22 issued by the ICAI.

Description	Opening Balance 01.04.2012	Provided during the Year	Reversed during the year	Closing Balance 31.03.2013
Deferred Tax Liability:				
Depreciation	3913680	Nil	1214439	2699241
Total (a)	3913680	Nil	1214439	2699241
Deferred Tax Asset:				
Investment	Nil	Nil	Nil	Nil
Total (b)	Nil	Nil	Nil	Nil
Net Deferred Tax Liability (a-b)	3913680	Nil	1214439	2699241

The major and only component of Deferred Tax liability is the difference between Depreciation charges in books & Depreciation claimed as per Income Tax Act, 1961.

6. Segment Reporting: The Company is primarily engaged in the business of manufacturing both AC and DC volts Aluminium Electrolytic Capacitors. Since the nature of the activities is governed by the same nature of risks, these are grouped as single segment.
7. In the absence of any claim under interest on delayed payments to Small Scale and Ancillary Industries Undertaking Act, 1993 the Company did not make any provisions for such payment.
8. Excise Duty: Provision has been made for the excise duty payable on finished goods not cleared from the factory amounting to Rs.10.91 Lakhs. CENVAT credit has been taken to the extent utilized for clearance of finished goods.
9. Gratuity has been funded through the scheme administered by Life Insurance Corporation of India.
10. There is no impairment of assets.
11. Related party transactions:

S.No.	Name	Relation	Nature of Transaction	Year	Amount Rs.
1.	C.Bhagavantha Rao	Managing Director	Remuneration & Perks	2012-13	771000
2.	C.Neelima	Whole-time Director	Remuneration & Perks	2012-13	450000

INCAP LIMITED**NOTES FORMING PART OF ACCOUNTS****Note : 2 Share Capital**

(Amount in Rs.)

Particulars	2012 - 2013	2011 - 2012
AUTHORISED CAPITAL		
60,00,000 Equity Shares of Rs. 10/- each	60,000,000	60,000,000
	60,000,000	60,000,000
ISSUED CAPITAL		
60,00,000 Equity Shares of Rs. 10/- each	60,000,000	60,000,000
	60,000,000	60,000,000
SUBSCRIBED CAPITAL		
56,49,600 Equity Shares of Rs. 10/- each	56,496,000	56,496,000
	56,496,000	56,496,000
PAID UP CAPITAL		
51,33,200 Equity Shares of Rs. 10/- each	51,332,000	51,332,000
Total	51,332,000	51,332,000

2.1. 4,80,000 Perferential Share Warrants converted into Equity share capital in the previous year . Listings permission under process at stock exchange.

Details of Shareholders holding more than 5% share in the Company

Name of the Shareholder	%	Shares	%	Shares
Sri C. Bhagavantha Rao	16.49	846469	13.91	714229
Smt. C. Neelima	17.25	885644	15.09	774544
Smt. P. Himabindu	12.64	648399	12.63	648399
Sri P. Ram Rao	09.95	510933	09.95	510933
Smt. C.Latitha Kumari	06.56	336907	06.56	336907
APIDC Limited	05.32	273280	05.32	273280

Note : 3 Reserve & Surplus

Name of the Shareholder	2012-2013	2011-2012
Capital Reseve	3,382,000	3,382,000
State Subsidy	42,049	118,057
General Reserve	15,431,042	15,431,042
Share Premium	2,240,000	2,240,000
Surplus (Profit & Loss Account)		
Opening Balance	(2,802,816)	(4,310,034)
Add: Profit for the period	6,419,177	1,507,218
Closing Balance	3,616,361	(2,802,816)
Total	24,711,452	18,368,283

3.1. State Subsidy amount Current year transferred to other income Rs. 76,008/-

INCAP LIMITED**Note : 4 Long Term Borrowings**

(Amount in Rs.)

Particulars	2012-2013	2011-2012
Term Loan		
From State Bank of India	-	6,412,564
Loans & Advances From Related Parties	14,070,000	-
Total	14,070,000	6,412,564

Note : 5 Deferred Tax Liabilities (Net)

Particulars	2012-2013	2011-2012
Deferred Tax Liability	2,693,477	3,913,680
Total	2,693,477	3,913,680

Note : 6 Other Long Term Liabilities

Particulars	2012-2013	2011-2012
Vehicle Loan from State Bank of India	421,317	601,766
Total	421,317	601,766

Note : 7 Short Term Borrowings

Particulars	2012-2013	2011-2012
Loan Repayable on Demand		
- State Bank of India	31,983,176	37,489,748
- State Bank of Hyderabad	12,685,214	14,560,446
Sales Tax Deferrment from Govt. of A.P.	2,185,453	3,440,370
Total	46,853,843	55,490,564

7.1. Working capital from banks is secured by hypothecation of movable assets including inventories and assignment of receivables, personal guarantees of directors and fixed assets of the company.

Note : 8 Trades Payable

Particulars	2012-2013	2011-2012
Trade payables	37,039,219	7,098,320
Total	37,039,219	7,098,320

Note : 9 Other Current Liabilities

Particulars	2012-2013	2011-2012
Current Maturities of Long Term Liabilities	276,000	1,932,000
Advance from Customers	-	9,628,052
Creditors for Expenses	38,883,436	6,830,724
Unpaid Dividends	1,285,978	1,287,398
Total	40,445,414	19,678,174

INCAP LIMITED**Note : 10 Short Term Provisions**

(Amount in Rs.)

Particulars	2012-2013	2011-2012
Provision for Employees Benefit		
Bonus payable	486,153	386,884
Provision for Taxation	9,577,132	4,576,484
Total	10,063,285	4,963,368

Note : 12 Long Term Loans and Advances

Particulars	2012-2013	2011-2012
Other Loans & Advances	-	11,500,000
Total	-	11,500,000

Note : 13 Inventories

Particulars	2012-2013	2011-2012
Raw Material	19,904,412	21,736,436
Work -in-Progress	7,473,688	5,467,081
Finished Goods	9,918,166	8,102,150
Spares	1,375,352	2,073,282
Stores	197,198	97,653
Total	38,868,816	37,476,602

Note : 14 Trade Recievables

Particulars	2012-2013	2011-2012
<u>Outstanding for more than six months</u>		
a) Secured, Considered Good :	2,293,669	560,357
b) Unsecured, Considered Good :	-	-
c) Doubtful	-	-
<u>others</u>		
a) Secured, Considered Good :	99,001,152	38,483,395
b) Unsecured, Considered Good :	-	-
c) Doubtful	-	-
Total	101,294,821	39,043,752

INCAP LIMITED**Note : 15 Cash & Cash Equivalent**

(Amount in Rs.)

Particulars	2012-2013	2011-2012
Cash-in-Hand		
Cash Balance	24,302	51,852
Sub Total (A)	24,302	51,852
Bank Balance		
Balances with Scheduled banks	1,425,300	1,622,658
Sub Total (B)	1,425,300	1,622,658
Term Deposit at Scheduled Banks		
Term Deposit at Scheduled Banks	-	4,160,000
Sub Total (C)	-	4,160,000
Margin Money Deposit		
Margin Money Deposit	8,833,880	6,622,000
Sub Total (D)	8,833,880	6,622,000
Total (A+B+C+D)	10,283,482	12,456,510

Note : 16 Short Terms Loans and Advances

Particulars	2012-2013	2011-2012
Loans & Advances from related parties		
a) Secured, Considered Good :		
Advance to Associate Concerns	-	-
b) Unsecured, Considered Good :		
c) Doubtful	-	-
others	27,249,833	341,006
<i>Advance Recoverable in cash or in kind or for value to be considered good</i>		
Advance to suppliers	1,578,117	15,854,862
Total	28,827,950	16,195,868

Note : 17 Other Current Assets

Particulars	2012-2013	2011-2012
Advance Income Tax/Refund Due	8,332,554	3,595,417
Balance With Revenue Authorities	3,062,594	2,790,154
Prepaid Expenses	1,250,626	534,255
Interest accrued but not due	403,004	684,258
Deposits	1,302,300	1,100,300
others	44,243	47,722
Total	14,395,321	8,752,106

(Amount in Rs.)

Note : 11 Fixed Assets :-

S.No.	Particulars	Gross Block			Depreciation Block			Net Block			
		Opening	Addition	Deduction	Closing	Opening	Addition	Deduction	Closing	WDV as on 31-03-2013	WDV as on 31-03-2012
I	Trangible Assets										
1.	Land										
	Factory Land	1,261,943	-	-	1,261,943	-	-	-	-	1,261,943	1,261,942
	Land at Hyderabad	2,661,357	-	-	2,661,357	-	-	-	-	2,661,357	2,661,357
2.	Building	14,488,018	-	-	14,488,018	7,453,995	483,900	7,937,895	7,034,023	6,550,123	7,034,023
3.	Plant and Equipment	109,191,104	357,443	511,250	109,037,297	90,996,873	5,760,287	182,492	96,574,668	12,462,629	18,194,231
4.	Furnitures & Fixtures	1,483,992	9,800	-	1,493,792	1,065,975	94,351	-	1,160,326	333,466	418,017
5.	Vehicles	2,948,696	-	-	2,948,696	1,144,833	208,472	-	1,353,305	1,595,391	1,803,863
6.	Office Equipment	1,333,282	148,918	-	1,482,200	807,210	65,652	-	872,862	609,338	526,072
7.	Data Processing Equipment	1,840,024	224,343	-	2,064,367	1,653,309	74,321	-	1,727,630	336,737	186,715
8.	Road and Culverts	610,435	-	-	610,435	190,383	9,950	-	200,333	410,102	420,052
9.	Lab Equipment	1973,050	60,257	-	2,033,307	903,629	95,274	-	998,903	1,034,404	1,069,421
10.	Electrical Installation	6,081,092	136,119	-	6,217,211	3,220,403	291,013	-	3,511,416	2,705,795	2,860,689
	Sub Total (A-)	143,872,993	936,880	511,250	144,298,623	107,436,610	7,083,220	182,492	114,337,338	29,961,285	36,436,383
II	Intangible Assets										
	Goodwill on Amalgamation	9,995,830	-	-	9,995,830	3,998,332	1,999,166	-	5,997,498	3,998,332	5,997,498
	Sub Total (B-)	9,995,830	-	-	9,995,830	3,998,332	1,999,166	-	5,997,498	3,998,332	5,997,498
	Total (A+B) (Current Year)	153,868,823	936,880	511,250	154,294,453	111,434,942	9,082,386	182,492	120,334,836	33,959,617	42,433,881
	(Previous Year)	150,198,319	2,977,808	3,305,636	149,870,491	101,010,754	7,191,599	765,743	107,436,610	42,433,880	49,187,565

INCAP LIMITED**Note : 18 Revenue from Operations**

(Amount in Rs.)

Particulars	2012-2013	2011-2012
Sale of Products	254,406,852	151,357,609
Excise Duty & Cess Collections	31,440,310	15,689,917
	285,847,162	167,047,526
Other Operating Income	65,993,869	8,965,000
Total	351,841,031	176,012,526

Note : 19 Other Income

Particulars	2012-2013	2011-2012
Interest on FDR's	1,377,201	3,693,642
Other Receipts	141,253	4,274,812
Total	1,518,454	7,968,454

Note : 20 Cost of Material Consumed

Particulars	2012-2013	2011-2012
Opening Stock	21,736,436	18,370,701
Add : purchases	236,782,631	130,699,176
	258,519,067	149,069,877
Less : Closing Stock	19,904,412	21,736,436
Raw Material Consumed	238,614,655	127,333,441

Note : 21 Change in Inventories

Particulars	2012-2013	2011-2012
Opening Stock		
Finished Goods	8,102,150	11,035,562
Work-in-Progress	5,467,081	4,268,746
	13,569,231	15,304,308
Closing Stock		
Finished Goods	9,918,166	8,102,150
Work -in-progress	7,473,688	5,467,081
	17,391,854	13,569,231
Total	(3,822,623)	1,735,077

Note : 22 Employment Benefit Expenses

Particulars	2012-2013	2011-2012
Salaries	9,739,670	9,959,108
Bonus, PF & ESIC	1,671,705	1,595,353
Exgratia	964,792	425,076
Workmen & Staff Welfare Expenses	272,874	228,523
Total	12,649,041	12,208,060

INCAP LIMITED**Note : 23 Financial Cost**

(Amount in Rs.)

Particulars	2012-2013	2011-2012
Interest Expenses	11,634,054	9,789,562
Total	11,634,054	9,789,562

Note : 24 Depreciation & Amortised Cost

Particulars	2012-2013	2011-2012
Depreciation	7,083,220	7,191,599
Goodwill Written off	1,999,166	1,999,166
Total	9,082,386	9,190,765

Note : 25 Other Administrative Expenses

Particulars	2012-2013	2011-2012
Bank Charges	958,008	1,568,042
Insurance	718,887	773,792
Power and Fuel	3,498,326	3,144,249
Repairs and Maintenance	1,708,161	1,051,215
Freight Inward	63,154	218,450
Taxes & Licences	4,209,382	1,735,712
Rent	666,200	557,979
Telephone and Telex Charges	350,845	334,098
Auditors Fees	41,798	33,371
Directors Remuneration	1,396,042	1,245,961
Directors Sitting Fees	10,000	10,000
Directors Travelling Expenses	99,207	227,656
Travelling Expenses	3,407,912	1,278,634
Donations	1,514,000	84,001
Vehicle Maintenance	520,686	572,233
Stores and Spares Consumed	2,119,062	1,268,493
Advertisement Charges	86,112	47,947
Business Promotion Expenses	2,935,403	971,241
Commission on Sales	300,412	198,571
Consumption of packing material	939,568	770,408
Freight Outward	1,790,171	1,351,988
Other Selling Expenses	1,382,757	128,446
Contract Work Expenses	43,373,407	2,255,951
Other Expenses	2,912,850	1,693,625
Total	75,002,350	21,522,063

INCAP LIMITED

Additional Information as required under part II of schedule VI to the Companies Act, 1956.

Particulars	2012 - 2013		2011 - 2012	
	Qty in Lakhs	Rs. in Lakhs	Qty in Lakhs	Rs. in Lakhs
Licensed Capacity :				
i) Aluminium Electrolytic Capacitors (in Pcs)(As per Industrial Entrepreneurs Memorandum)	2000.00		2000.00	
ii) Installed Capacity : Aluminium Electrolytic Capacitors (in Pcs) (As certified by the Management)	1000.00		1000.00	
iii) Actual Production (inclusive of imported Semi-finished Capacitors) Aluminium Electrolytic Capacitors	1520.43		1165.49	
iv) Opening Stock of Finished Goods	81.83		145.21	87.77
v) Closing Stock of Finished Goods	108.10		81.83	81.02
vi) Opening Stock of Semi-finished Goods (As it is in various stages of production it can not be quantified)		54.69		42.69
vii) Closing Stock of Semi-Finished Goods (As it is in various stages of production it can not be quantified)		120.53		54.69
viii) Turn Over of Electrolytic Capacitors	1494.16	1587.97	1228.87	1670.48
ix) Consumption of Raw Materials				
Aluminium Foils (Sq. Mt.)	0.96	104.06	1.288	401.66
Semi finished Capacitors (Kpcs)	1.29	834.30	0.72	128.87
Lead Tabs (Kpcs)	0.59	50.16	0.98	117.12
Semi finished Insulators		1102.43		359.64
Others		295.20		266.04
Total		2386.15		1273.33
x) Value of Imported and Indigenous raw materials, spare parts and components consumed				

INCAP LIMITED

Raw Materials				
Imported	99.55	2375.37	97.37	1290.98
Indigenous	0.45	10.78	2.36	34.91
Total	100.00	2386.15	100.00	1325.89
Stores and Spares				
Imported	30.86	6.54	34.54	4.38
Indigenous	69.14	14.65	65.46	8.30
Total	100.00	21.19	100.00	12.68
xi) Value of imports calculated on CIF basis on account of				
A. Raw materials		2375.37		1290.98
B. Capital Goods		0.89		1.00
C. Consumables		Nil		Nil

xii) Earning in Foreign Currency				
A. Export of Goods		Nil		Nil
B. Others		Nil		Nil
xiii) Expenditure in foreign currency on account of:				
A. Foreign Travel		9.09		2.46
B. Others		Nil		Nil

xiv) Auditors Remuneration : (Includes Service Tax, where applicable)	2012-2013	2011-2012
Audit Fee	18900	18900
Taxation Matters	14471	14471

INCAP LIMITED

S.No.	Name and designation of the managerial Personnel	Year	Salary Rs.	Perquisites Rs.	Total Rs.
1.	Sri C.Bhagavantha Rao Managing Director	2012-2013	600000	171000	771000
		2011-2012	600000	171000	771000
2.	Smt. C. Neelima Whole -time Director	2012-2013	270000	180000	450000
		2011-2012	210000	140000	350000

The above remuneration is paid as per the terms of appointment approved by the Board / Shareholder read with the provisions of the Companies Act, 1956.

For **PURNACHANDRA RAO & CO.,**
Chartered Accountants,
Firm Regn. No.002802S

(CA. G.BABU SRIKAR)
Partner
M. No.202335

VIJAYAWADA
30th July, 2013

For and on behalf of the Board

C.BHAGAVANTHA RAO
MANAGING DIRECTOR

C.Neelima
Director

INCAP LIMITED
Regd. Office : 1-58, Nidamanur,
VIJAYAWADA – 521104.
PROXY FORM

I / We Of
being a member / members of INCAP LIMITED, hereby appoint Of
..... or failing him..... of
..... Or failing him of
..... As my / our proxy to attend and vote for me/us and on my/
our behalf at the 23rd ANNUAL GENERAL MEETING of the said company to be held at Incap Limited,
1-58, Nidamanur, Vijayawada – 521 104 on 28th September, 2013 and at any adjourned meeting thereof.

Signed this days ofTwo thousand Thirteen.

Signature(s) of the Shareholder(s)

Folio No. No. of Shares.....

Distinctive Nos.....

- Note :1. This form must be deposited at the Registered Office of the company not later than 48 hours before the time for holding the meeting.
- 3. A proxy need not be a member.

INCAP LIMITED
Regd. Office : 1-58, Nidamanur,
VIJAYAWADA – 521104.
ADMISSION SLIP

Regd. Folio No. No. of Shares

I certify that I am registered shareholder/Proxy for the registered shareholder of the Company. I hereby record my presence of the 23rd ANNUAL GENERAL MEETING of the Company to be held on 28th September, 2013 at Incap Limited, 1-58, Nidamanur, Vijayawada-521104.

Name of the Proxy (if any)
In BLOCK LETTERS

Signature of Proxy

Signature of Member

Note : Please fill this admission slip and hand it over at the entrance of the hall. Those who come to attend the meeting are requested to bring the copies of Annual Report also with them.

KEPT BLANK



INCAP

23rd
Annual Report

2012 - 2013

INCAP LIMITED

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