

16th Annual General Meeting30th Day of September, 2010

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	Executive Director
Sri Venkaiah Doniparthi	Director
Sri Devineni Madhusudhan Rao	Director
Sri Cherukuri Subrahmanyam	Director

STATUTORY AUDITORS**M/s. J B R K & CO.**

118, 5th Floor
Maruthi Complex
Near Yashoda Hospitals
Somajiguda, Hyderabad

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
Hyderabad – 500 034

LISTED

BOMBAY STOCK EXCHANGE LIMITED

NOTICE

Notice is hereby given that the 16th 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 **THURSDAY, 30TH SEPTEMBER 2010** 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, 2010 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. K Saraswathi, who retires by rotation, being eligible, offers herself for re-appointment.
3. To appoint M/s. J B R K & CO., Chartered Accountants, Hyderabad the retiring Auditors as Statutory Auditors to hold office from conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on a remuneration as may be decided by the Board.

SPECIAL BUSINESS:**4. APPOINTMENT OF SRI SAHU GARAPATI AS WHOLE TIME DIRECTOR:**

"RESOLVED THAT pursuant to the provisions of Sections 198,269,309 and 310 read with Schedule XIII of the Companies Act, 1956 and all other applicable provisions if any, of the Companies Act, 1956, Sri Sahu Garapati be and is hereby appointed as Whole Time Director of the Company for a period of 5 years with effect from 01.11.2009 at a remuneration of Rs.20,000/- per month as approved by the remuneration committee , with liberty to the Board of Directors to alter and vary the terms and conditions and/or remuneration , subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, be and is hereby approved.

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

Place : Hyderabad
Date : 28.08.2010

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. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business is annexed hereto.
3. The Register of members and share transfer books of Company shall remain closed from **MONDAY, 27TH SEPTEMBER 2010 TO THURSDAY, 30TH SEPTEMBER 2010** (both days inclusive).
4. Members are requested to notify any change in their addresses to the Company immediately.
5. 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.
6. 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 : 28.08.2010

Sd/-
PRASAD V S S GARAPATI
Chairman & Managing Director

EXPLANATORY STATEMENT
(Pursuant to Section 173(2) of the Companies Act)

Item No. 4

Sri Sahu Garapati is an MBA Graduate in operations & Marketing from S P Jain unit of Management, Dubai and has worked as a Business Development Manager for Javelia Communications FZ. LLC, Dubai from 2006 to 2008 and also as a Management Trainee for 1 Year in Innocorp Limited in the year 2005-2006.

The Board of Director felt that the presence of Sri Sahu Garapati in the Board will enhance the marketing of the goods, so appointed as Whole time Director of the Company at their meeting held on 30th October, 2009 w.e.f 01.11.2009 for a period of five years at remuneration as approved by the remuneration committee of the company.

As the appointment of the Managerial Person is subject to the approval of the members in their meeting, the Board commends the above resolution for your approval

None of the Directors except Sri Prasad Garapati, Sri K Sarwasti and Sahu Garapati are interested in this resolution.

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

K. SARASWATHI

Smt. K. Saraswathi is a graduate in Science. She has 12 years of work experience in marketing of home appliances consumable durables. She looks after the day to day operations at the factory controlling the areas relating to production and dispatches of goods. She also assists Mr. Prasad Garapati in day to day administration of the unit

SAHU GARAPATI

Sri Sahu Garapati is an MBA Graduate in operations & Marketing from S P Jain unit of Management, Dubai and has worked as a Business Development Manager for Javelia Communications FZ. LLC, Dubai from 2006 to 2008 and also as a Management Trainee for 1 Year in Innocorp Limited in the year 2005-2006

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the 16th Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2010.

FINANCIAL HIGHLIGHTS

Particulars	(Rs. in lacs)	
	31.03.2010	31.03.2009
Sales (Plastic & Cable)	801.84	1277.38
Contract/Other Income	1.83	253.76
TOTAL INCOME	803.67	1531.14
Less Exercise Duty	104.52	237.61
TOTAL EXPENDITURE	655.80	2105.55
Profit/ (Loss) before depreciation & Financial Charges	41.47	(812.02)
Depreciation	30.75	48.34
Financial Charges	9.56	154.30
Profit Before Tax	(1.15)	(1014.66)
Fringe Benefit Tax	--	1.40
Prior period items	26.72	46.58
Provision for tax	--	--
Deferred Tax	--	--
NET PROFIT / (LOSS)	(25.56)	(1062.64)
Balance carried to balance sheet		

Your Directors would like to bring to your kind notice that even though there has been good growth in plastic division there was a significant fall in overall turnover of the Company and Your Directors would like to state that the cable division was adversely affected as Wet Lease Agreement entered with M/s Gem Cables and Conductors Limited was terminated. Further Huge amount of Debtors and advances were treated as irrevocable and converted into bad debts. Your Directors are hopeful of good performance and profitability in future years.

DIVIDEND:

During the Financial Year 2009-10, Your Company has recorded a nominal profit hence your Directors do not recommend any dividend for the Financial Year 2009-10.

DEPOSITS:

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

DIRECTORS:

The Board of Directors appointed Sri Sahu Garapati as Executive Director of the Company with effect from 01.11.2009, subject to the approval of the members in their general meeting.

Smt K Saraswati, Director of the Company retires at the ensuing annual general meeting and being eligible offer herself 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,2010, 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, 2010 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. J B R K & CO., Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible offers themselves for re-appointment. 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. The Board recommends their appointment.

PARTICULARS OF EMPLOYEES:

During the year under review, none of the employees were in receipt of remuneration in excess of 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.

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

Place : Hyderabad
Date : 28.08.2010

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

CONSERVATION OF ENERGY

- a) Energy conservation measures taken : Proper control points are set up at all levels to identify the wastage in poer & 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

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 :

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:	2009-10	2008-09
Foreign exchange earnings	NIL	NIL
Foreign exchange outgo	NIL	NIL

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

Sd/-

PRASAD V S S GARAPATI
Chairman & Managing Director

Place : Hyderabad
Date : 28.08.2010

INDUSTRY SCENARIO

Plastics are expected to become a core sector in the nation's economy in terms of generation of employment and revenues, industrial growth, conservation of energy & natural resources and indispensable materials in all important sectors of the economy and encompasses areas of activities including manufacturing polymer materials (natural and synthetic compounds), building construction, bulk material handling, packaging or transportation. Plastic industry covers a large area ranging from aerospace to electronics industry and that is why plastic industry has a huge business potentiality over the other associated industries. This plastic industry is a vivacious and global industry that covers sectors from household commodity to polymer. Plastic industry also include fields like biochemicals, petrochemicals, ceramics.

In the early phases, plastic industry was built up with natural and synthetic materials of different forms, attributes and appearances. Over time, plastic industry started developing on the basis of organic compounds (a material that contains carbon and hydrogen and other elements), rather than natural and other synthetic materials

BUSINESS OUTLOOK

Plastic industry India symbolizing a promising industry and at the same time creating new employment opportunities for the people of India. The per capita consumption of plastic products in India is growing and is moving towards 8% GDP growth

OVER VIEW OF OPERATIONS

During the Financial Year under review your company has achieved turnover of Rs 697.27 Lakhs as against 1200.96 Lakhs for the previous year and incurred nominal profit Compared to net loss in the last year.

Your directors would like to bring to your kind notice that the Agreement entered with M/s Gem Cable was discontinued and cable division has faced lot of problems. Long standing debtors and advances were said to be irrecoverable and were treated as bad debts, which indeed resulted in Turnover and profit of the Company.

OUT LOOK AND STRATEGY FOR THE CURRENT YEAR

The Cable division has faced lot of problems and agreement entered with M/s Gem Cables was discontinued, huge amount of recoverable were treated as bad debts

The Plastic Division is continuously doing well and has bagged good orders and Your Board of Directors is looking for various other new areas of business in India and overseas.

Further your Board of Directors hopes that this financial year will be good for the Company and will be out of the problems faced during the last financial years.

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 interest 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 meeting and attendance**

Six 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:

30.04.2009	28.07.2009	28.08.2009	30.10.2009	28.01.2010	16.03.2010
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The constitution of the Board is given below:

Sl No	Director	Category	Attendance at AGM held on 30.09.2010	Attendance in Board Meeting		Other Boards		
				Held	Attended	Directorship	Committee chairman ship	Committee membership
1	Prasad V.S.S. Garapati	Chairman & Managing Director	Yes	6	6	4	Nil	Nil
2	K. Saraswathi	Executive Director	Yes	6	6	2	Nil	Nil
3	Sahu Garapati	Executive Director	Yes	6	6	3	Nil	Nil
4	Cherukuri Subrahmanyam	Independent & Non- Executive Director	No	6	3	1	Nil	Nil
5	Venkaiah Doniparthi	Independent & Non Executive Director	No	6	5	Nil	Nil	Nil
6	Devineni Madhusudhan Rao	Independent & Non Executive Director	Yes	6	5	2	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:

30.04.2009	28.07.2009	28.08.2009	30.10.2009	28.01.2010
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ATTENDANCE:

Name	No of Meetings Held	No of Meetings Attended
D. Madhusudhan Rao	5	5
Venkaiah Doniparthi	5	4
Cherukuri Subrahmanyam	5	2

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	Total
Prasad V S S Garapati	6,00,000	6,00,000
K. Saraswathi	2,40,000	2,40,000
Sahu Garapati	1,00,000	1,00,000

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
D. Madhusudhan Rao	Chairman
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 : 03

No. of complaints solved to the satisfaction of the share holders : 03

No. of pending complaints : Nil

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

Year	Date	Location	Time (A.M)
2008-09	30.09.2009	Plot No: 41, IDA Mallapur, R.R. District – 500 076	11.00
2007-08	30.09.2008	Plot No: 41, IDA Mallapur, R.R. District – 500 076	11.00
2006-07	28.09.2007	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 Parasad 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.

No Special Resolution is proposed to be conducted through postal ballot at the ensuing Annual General meeting.

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 16th Annual General Meeting of the Company will be held on **THURSDAY, 30TH SEPTEMBER, 2010** at the Registered Office of the Company
- **Financial Year: 1st April 2010 to 31st March 2011**

CALENDER OF EVENTS:

Event	Dates
First Quarter un-audited (Provisional) Financial Results	Second Week of August, 2010
Second Quarter un-audited (Provisional) Financial Results	Second Week of November, 2010
Third Quarter un-audited (Provisional) Financial Results	Second Week of February, 2011
Fourth Quarter Audited Financial Results	Last Week of May, 2011

- **Book Closure Date: From MONDAY, 27TH SEPTEMBER, 2010 To THURSDAY, 30TH SEPTEMBER, 2010** (both days inclusive).
- **Listing on Stock Exchanges:** The shares of the Company are listed at Bombay Stock Exchange 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
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• **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 2009-10**

Month	Bombay Stock Exchange Limited	
	High (Rs.)	Low (Rs.)
April, 2009	10.00	6.13
May, 2009	10.90	6.87
June, 2009	13.57	9.00
July, 2009	10.75	6.87
August, 2009	9.04	7.55
September, 2009	10.07	8.25
October, 2009	9.17	6.86
November, 2009	10.80	6.75
December, 2009	9.95	7.75
January, 2010	10.15	7.56
February, 2010	9.38	7.26
March, 2010	9.00	7.22

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

SHAREHOLDING PATTERN AS ON 31ST MARCH 2010:

SI	Category	No of Shares Held	% of Shareholding
	SHAREHOLDING OF PROMOTERS & PROMOTER GROUP		
A1	INDIAN		
	Individuals/Hindu Undivided Family	9,65,666	12.16
	Central Government / State Government(s)	-	-
	Bodies Corporate	9,88,700	12.45
	Financial Institutions/Banks	-	-
	Sub Total of A1	19,54,366	24.61
A2	FOREIGN		
	Individuals (Non-Residents)	1,89,000	2.38
	Bodies Corporate	-	-
	Institutions	-	-
	Any Other (Specify)	-	-
	Sub Total of A2	1,89,000	2.38
	TOTAL PROMOTERS SHAREHOLDING (A1+A2)	21,43,366	26.99
B	Public Shareholdings		
1.	Institutions		
	Mutual Funds and UTI	100	-
	Banks/Financial Institutional	800	0.01
	Central Government/ State Government	-	-
	Venture Capital Funds	-	-
	Insurance Companies	-	-
	Foreign Instution Investor	50,000	0.63
	Foreign Venture Capital Investors	-	-
	Any Other (Specify)	-	-
	Sub Total of B1	50,900	0.64
2.	Non Institutions		
	Bodies Corporate	4,89,215	6.16
	Individuals		
	Individuals shareholders holdings nominal share capital upto RS. 1 Lakhs	2043179	25.73
	Individuals shareholding holdings nominal share capital in excess of Rs. 1 Lakhs	7,03,762	8.86
	Any Other (Specify)		
	NRIs/OCBs	24,98,983	31.47
	Foreign Collaborators		
	Clearing Members	11,995	0.15
	Sub Total of B2	57,47,134	72.37
	TOTAL OF PUBLIC SHAREHOLDING (B1+B2)	57,98,034	73.01
C	Shares held by Custodian and against which Depository Receipts have been issued	-	-
	Total A+B+C	79,41,400	100

DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2010

Category From - To	No.of Shareholders	% of holders	No.of shares	% of holders
Upto - 5000	2788	74.71	599883	7.55
5001 - 10000	445	11.92	390038	4.91
10001 - 20000	231	6.19	364233	4.59
20001 - 30000	69	1.85	185359	2.33
30001 - 40000	35	0.94	127057	1.60
40001 - 50000	46	1.23	217759	2.74
50001 - 100000	58	1.55	427780	5.39
100001 and above	60	1.61	5629291	70.89
TOTAL	3732	100.00	79414000	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 – 500 076
 Phone : 040 - 32503939, Fax : 040 - 27158152

CEO & CFO CERTIFICATION:

The Chairman & Managing Director and the chief financial Officer of the Company give 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 Director 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

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

Place : Hyderabad
 Date : 28.08.2010

Sd/-
PRASAD V.S.S. GARAPATI
 Chairman & Managing Director

AUDITORS CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Board of Directors
Innocorp Limited

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, 2010 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.

Place : Hyderabad
Date : 28.08.2010

For M/s. J B R K & CO,
Chartered Accountants

Sd/-
JITENDRA KUMAR
Partner
Membership No. : 22109

AUDITOR'S REPORT

To
The Members' of
M/s INNOCORP LIMITED,
Hyderabad.

- 1 We have audited the attached Balance Sheet of INNOCORP LIMITED ('the company') as at 31st March 2010, and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date (together referred as financial statements). 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 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, ('CARO'), issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 ('the Act') and on the basis of such checks of the books and records as we considered necessary and appropriate and according to the information and explanations given to us during the course of the audit, we enclose in the Annexure, a statement on the matters specified in paragraph 4 & 5 of the said order.
- 4 Further to our comments in the Annexure referred to above, we report that
 - a. We have obtained all the information and explanations, which are to the best of our knowledge and belief, were necessary for the purpose of our audit.
 - b. In our opinion, the Company has kept proper books of account as required by law, so far as it appears from examination of these 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 Balance Sheet, 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;
 - e. On the basis of the written representations received from directors, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2010 from being appointed as director under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

- f. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read 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,
- g. In the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2010;
- h. In the case of the Profit and Loss Account, of the loss of the company for the year ended on that date; and
- i. In the case of the Cash Flow Statement, of the Cash Flows of the company for the year ended on that date.

For J.B.R.K & CO
Chartered Accountants,

Sd/-
P. JITENDRA KUMAR
Partner
Membership No: 22109

Place : Hyderabad
Date : 28.08.2010

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in our Report of even date)

- 1 (a) The Company is required to update the proper records showing full particulars of fixed assets including quantitative details and situation of fixed assets.
- (b) The Company has a system of verification of all fixed assets once in a period of two years which in our opinion, is reasonable having regard to the size of the Company and nature of its business.
- (c) Company had conducted verification of fixed assets in last year according to explanation given to us.
- (d) The Company has disposed off substantial part of fixed assets in the cable division during the year.
- 2 (a) The Management carried out physical verification of the inventory at reasonable intervals during the year.
- (b) In our opinion, and according to the information and explanations given to us, the procedures of physical verification on inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) The Company maintains proper records of inventory. Discrepancies noticed on Physical verification of inventory as compared to the book records were not material and these have been properly dealt with in the books of account
- 3 (a) The Company has taken unsecured loans from parties who are covered in the register maintained under Section 301 of the Companies Act, 1956, the terms and conditions on which the loans are obtained are not prejudicial.
- (b) The Company has granted unsecured loans to parties who are covered in the register maintained under Section 301 of the Companies Act, 1956 the terms and conditions on which the loans are given are not prejudicial.
- 4 In our opinion, the company has an adequate internal control procedure commensurate with the size of the company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods.
- 5 (a) According to the information and explanations given to us, based on the disclosure 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 to be 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.

- 6 The Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA of the Act and the rules framed there under are applicable.
- 7 The Company has no internal Audit System during the period covered under this report.
- 8 The Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Act for any of the activities of the Company.
- 9 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, 2010 for a period exceeding six months from the date they became payable other than

	2010
Income Tax F .Y(2005-06)	Rs. 4350297

- 10 Company is registered for more than five years and the Company has accumulated loss of Rs.73.07 lakh at the end of the financial year and it has incurred cash loss in the financial year while no cash loan found in the preceding year.
- 11 On the basis of our examination and according to the information and explanations given to us, the company has not defaulted in repayment of the dues to banks/financial institutions with respect to its borrowings.
- 12 According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares.
- 13 Provision for special statute applicable to Chit Fund, Nidhi, and Mutual Benefit Funds/ Societies are not applicable to the Company.
- 14 According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- 15 According to the information and explanations given to us, the Company has not given Guarantee for loans taken by others from banks or financial institutions the terms and conditions whereof are not prejudicial to the interest of the company.
- 16 On the basis of examination and according to the information given to us and examinations given to us, the company has not used the funds borrowed on short term basis for long term investment and vice versa.
- 17 According to the information and explanations given to us, the Term Loans were utilized for Intended purpose.

- 18 The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act 1956.
- 19 According to the information and explanations given to us, the company does not have any debentures and hence the applicability of the clause regarding the creation of security or charge in respect of debentures issued does not arise.
- 20 According to information and explanations given to us, the company has not raised money by way of public issues during the year; hence the clause regarding the disclosure by the management on the end use of money raised by Public Issue is not applicable.
- 21 To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For JBRK&CO
Chartered Accountants

Sd/-
P. JITENDRA KUMAR
Partner
Membership No. 22109

Place : Hyderabad
Date : 28.08.2010

AUDITED BALANCE SHEET AS AT 31st MARCH, 2010

Particulars	Schedule No	Balance As at 31/03/10 Rs.	Balance As at 31/03/09 Rs.
A. SOURCES OF FUNDS :			
<u>SHARE HOLDERS FUNDS</u>			
Equity Share Capital	1	79414000	79414000
Share Application Money		4025000	4025000
Reserves & Surplus	2	(7307523)	-
LOAN FUNDS			
A) Secured Loans	3	-	10229971
B) Unsecured Loans from Directors		719331	25104926
T O T A L		77913873	118,773,897
B. APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	4	62999168	79975282
Less : Accumulated Depreciation		-19912608	28990203
Net Block		43086560	50985079
INVESTMENTS			
Deferred Tax- Asset	5	-	-
		4082874	4082874
CURRENT ASSETS, LOANS AND ADVANCES :			
Inventories	6	12335871	14942143
Trade Debtors		15400593	18804866
Cash & Bank Balance		3214282	3283742
Advances & Deposits		16874041	40003695
		47824787	77034446
Less : Current Liabilities & Provisions	7	19310130	20309001
		28514657	56725445
MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)	8	2229782	2229782
Balance from Profit & Loss A/c			4,750,717
T O T A L		77913873	118,773,897
Significant Accounting Policies	14		
Notes to Accounts	15		

Schedules referred to above form an integral part of the Balance sheet

To be read with our Report of even date

For JBRK & CO.,
Chartered Accountants,
Sd/-

P.Jitendra Kumar
Partner

Place : Hyderabad,
Date : 28.08.2010

For and on behalf of the Board of Directors

For Innocorp Limited

Sd/-
PRASAD VSS GARAPATI
Managing Director

Sd/-
SAHU GARAPATI
Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2010

Particulars	Schedule No	Year ended 31/03/10 Rs.	Year ended 31/03/09 Rs.
INCOME:			
Sales			
- Export Sales		-	-
- Domestic Sales		80184356	127,738,630
- Trading Sales		-	-
		80,184,356	127,738,630
Less: Duties & Taxes		10,452,514	23,761,111
		69,731,842	103,977,519
Other Income	9	183,578	25,376,635
Increase/(Decrease) in Stocks	10	-187787	(9,257,709)
NET INCOME		69,727,633	120,096,445
EXPENDITURE:			
Manufacturing Expenses	11	57,588,033	89,899,245
Administrative Expenses	12	7,992,115	110,617,342
Financial Charges	13	956,076	15,430,429.
Depreciation	4	3,075,623	4,834,998.
Miscellaneous Expenses Written Off	8		780,565
TOTAL EXPENDITURE		69611847	221,562,579
Profit before Prior Year Adjustment & Extraordinary Items		115786	(101,466,134)
Fringe Benefit Tax		-	140,099.
Prior period adjustments (Net)		2672592	4,658,630.
Deferred Tax		-	-
Provision for taxation		-	-
Net Profit for the year		-2556806	(106,264,863)
Profit Brought Forward		-72570847	33,694,017.
Profit carried to Balance Sheet		-75127653	(72,570,846)

Schedules referred to above form an integral part of the Balance sheet

To be read with our Report of even date

For JBRK & CO.,
Chartered Accountants,
Sd/-

P.Jitendra Kumar
Partner

Place : Hyderabad,
Date : 28.08.2010

For and on behalf of the Board of Directors
For Innocorp Limited

Sd/-
PRASAD VSS GARAPATI
Managing Director

Sd/-
SAHU GARAPATI
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010
(Pursuant to clause 32 of Listing Agreement as amended)

Particulars	31.03.2010	31.03.2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax and Prior period & Extra-ordinary Items	1.16	-1014.66
Add:		
Depreciation on Fixed Assets	30.76	48.35
Miscellaneous Expenses Written Off	-	7.8
Profit on sale of Fixed Assets	-	-233.29
Loss on sale of Fixed Assets	4.60	1.02
Prior period interest in interest account	-	-46.59
Provision for Deferred Tax	-26.73	-
Income Tax Provision	-	-
Fringe Benefit Tax	-	-1.4
Preliminary Expenses written off	-	-
TOTAL OF ADJUSTMENTS	8.63	-224.11
Operating Profit before Working Capital changes	9.78	-1238.77
Adjustment for working capital changes		
Decrease in Stock	26.06	180.63
Decrease in Debtors & Others	34.04	996.24
Decrease in other Current Assets	231.3	403.78
Decrease in Sundry Creditors	-9.99	-666.99
Increase/(decrease) differed tax (Assets)	0	-
		913.66
Net Cash from Operating Activities	281.41	-325.11
B. CASH FLOW FROM INVESTING ACTIVITIES	291.2	
Sale of Fixed assets	0	800 (176.52)
Purchase/Adj of assets	-2.55	-165.92
Sale of Fixed Assets (Net Book Value)	46.18	-
Adjustments for rectification in Assets	0	-
Decrease in Investments	0	14.83
Net Cash used in Investing Activity	43.63	648.91
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Borrowings	-335.53	-453.06
Net Cash Flow from Financing Activities	-335.53	-453.06
Net Increase in Cash and Cash Equivalents:	-0.69	-129.26
Opening Balance of Cash & Cash Equivalents	32.83	162.09
Cash & Cash Equivalents as at the end of the year	32.14	32.83

For **JBRK & CO.**,
Chartered Accountants,
Sd/-

P.Jitendra Kumar
Partner

Place : Hyderabad,
Date : 28.08.2010

For and on behalf of the Board of Directors
For Innocorp Limited

Sd/-
PRASAD VSS GARAPATI
Managing Director

Sd/-
SAHU GARAPATI
Director

Schedule - 1 : SHARE CAPITAL:

Particulars	For the year 2009-2010 Rs.	For the year 2008-2009 Rs.
AUTHORISED SHARE CAPITAL 1,20,00,000 Equity Shares of Rs.10/- each	120000000	120000000
ISSUED AND SUBSCRIBED CAPITAL 79,41,400 Equity shares of 10/-each (P .Y . 79,41,400 Equity Shares @ Rs.10/- each)	79414000	79414000
PAID-UP CAPITAL 79,41,400 Equity shares of 10/-each (P .Y . 79,41,400 Equity Shares @ Rs.10/- each)	79,414,000.	79,414,000.
TOTAL	79414000	79414000

Schedule - 2 : RESERVES AND SURPLUS

Particulars	For the year 2009-2010 Rs.	For the year 2008-2009 Rs..
Share Premium Account	64,705,000.	64,705,000.
Investment Subsidy	3,115,130.	3,115,130.
Profit & Loss Account	-75,127,653	(72,570,847)
T O T A L	(7,307,523)	(4,750,717)

Schedule - 3 : LOAN FUNDS

Particulars	For the year 2009-2010 Rs.	For the year 2008-2009 Rs.
(A) SECURED LOANS :		
Punjab National Bank		
- Cash Credit	-1352	4,792,888.
- Term Loans		1,216,569.
UCO - Cash Credit		2,361,332.
SBI - Cash Credit	1,064,417	-
Hire Purchase Loans (Vehicles)		1,859,182.
Against Fixed Deposits	-	-
T O T A L (A)	1,063,065	10,229,971
(B) Unsecured Loans from Directors	719,331	25,104,926
T O T A L (B)	719,331	25,104,926

SCHEDULE 4 - FIXED ASSETS

Sl No	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 01.04.09	During 2009-10	Deletions 2001-10	Total 31.03.2010	As on 01.04.09	During 2009-10	Deduction 2009-10	As on 31.03.2010	Total 31.03.2010	As on 31.03.2009
1	Good Will	1050000	-	0	1050000	0	0	0	0	1050000	10500
2	Land	4871009			4871009	0	0	0	0	4871009	4871009
3	Building - Factory	8675541			8675541	2945468	289763	0	3235231	5440310	5730073
4	Plant & Machinery	38882703	0	1169961	37712742	9317091	1791355	111891	10996555	26716187	29565612
5	Electrical Equipment	6379965		1,221,433.	5,158,532.	3,788,495.	490,061.	884351	3,394,205	1,764,327.	2,591,470
6	Furniture & Fixtures	3526651		3024697	501954	2038911	31774	1705287	365398	136556	1487740
7	Office Equipment	760883	85757	431513	415127	417826	26291	267214	176903	238224	343267
8	Lease Hold Improvements	393144		228046	165098	215610	10437	215610	10437	154661	177324
9	Computers	5175650	169310	5046827	298133	4,770,507.	48,327	4667142	151,692	146,441.	405,143
10	Shorthand Machines	4292859		4281669	11190	3633577	0	3633577	0	11190	648092
11	Vehicles	5836320	0	1827035	4009285	1,734,790.	380882	668146	1447526	2,561,759	4101530
12	R&D	-				-					
13	Misc.Fixed Assets	141747		0	141747	127,929.	6733	0	134662	7,085	13818
14	Capital Work in Process										
	>Plant& Machinery										
	>ERP Software										
	Total	79986472	255067	17231181	63010358	28990204	3075623	12153218	19912609	43097749	50985078
	Previous Year	123211602	46184993	89421313	79975282	27211948	4834998	3056744	28990203	50985079	95999653

Schedule - 5 : INVESTMENTS

Particulars	For the year 2009-2010 Rs.	For the year 2008-2009 Rs.
INVESTMENT IN SUBSIDIARY INNOSOFT TECHNOLOGIES INC.(USA) INNO PROJECTS PVT. LTD.,	-	-
T O T A L	-	-

SCHEDULE - 6 : CURRENT ASSETS, LOANS AND ADVANCES

Particulars	For the year 2009-2010 Rs.	For the year 2008-2009 Rs.
(a) INVENTORIES : (As taken, valued and certified by the Management)		
Stores, Spares & Fuel	86,254	192,972
Raw Materials and Packing Materials	3,866,832	512,3987
Finished Goods	1,147,700	3,231,069
Trading Stock	2,147,460	6,195,603
Work In Progress	5,087,625	198,512
T O T A L	12,335,871	14,942,143
(b) TRADE DEBTORS : (Unsecured - Considered Good)		
Over Six Months	15,400,593	3,231,015
Others, including Bills Discounted	-	15,573,851
T O T A L	15,400,593	18,804,866
(c) CASH AND BANK BALANCES :		
Cash on Hand	21,242	1,215,111
Balance with Scheduled Banks: In Current Accounts	3,193,040	2,068,631
Deposits with Banks - SBI	-	-
T O T A L	3,214,282	3,283,742
(d) LOANS AND ADVANCES :		
Unsecured & Considered Good Recoverable in cash or in kind or for value to be received	6,097,671	28,394,364
Deposits	5,687,310	3,336,049
RetentionMoney (Skoda & SPML KOLKATA)	1,241,737	-
Excise Duty Balances	-	141,435
Other Receivables	3,658,824	8,131,847
-Income Tax	-	-
-APTRANSCO	50,500	-
-Service Tax	-	-
Other Divisions	-41,000	-
INNOCOROP DUBAI BRANCH	138,000	-
CABLE DIVISION	40,999	-
T O T A L	16,874,041	40,003,695

Schedule - 7 : CURRENT LIABILITES & PROVISIONS

Particulars	For the year 2009-2010 Rs.	For the year 2008-2009 Rs.
GTFS Domestic Factoring (Provisions)	400000	
Sundry Creditors	14523259	13510402
Outstanding Liabilities	4386871	6798599
T O T A L	19310130	20309001

**Schedule - 8 : MISCELLANEOUS EXPENDITURE
(To the extent not written off)**

Particulars	For the year 2009-2010 Rs.	For the year 2008-2009 Rs.
a) Pre-operative Expenses :		
Balance brought For ward	2229782	2787227
Less: Written-off during the year	-	557445
Sub Total (a)	2229782	2229782
b) Public Issue Expenses :		
Opening Balance	-	223120
Less : Written-off during the year	-	223120
Sub Total (b)	0	-
T O T A L (a + b)	2229782	2229782

Schedule - 9 : OTHER INCOME

Particulars	For the year 2009-2010 Rs.	For the year 2008-2009 Rs.
Central Excise Refund		-
Income from Job Works	-	1058429
Discount from Creditors	183578	453861
Interest on Deposits	-	84964
Stamp Duty Received	-	-
Interest from Debtors	-	-
LD Charges	-	449992
Profit on Sale of Plant & Machinery	-	23329389
T O T A L	183578	25376635

Schedule - 10 : INCREASE/(DECREASE) IN STOCKS :

Particulars	For the year 2009-2010 Rs.	For the year 2008-2009 Rs.
CLOSING STOCKS OF		
Finished Goods	1356871	3231069
Work in Progress - Plastics	142237	198512
Work in Progress - Contracts	-	-
Work in Progress - Cable	-	-
	1499108	3429581
Opening Stock of		
Finished Goods	1488383	7090243
Work in Progress - Plastics	198512	200435
Work in Progress - Contracts	-	-
Work in Progress - Cable	-	5396612
	1686895	12,687,290
INCREASE/(DECREASE)	-187787	(9,257,709)

Schedule - 11: MANUFACTURING EXPENSES

Particulars	For the year 2009-2010 Rs.	For the year 2008-2009 Rs.
Raw and Packing Material Consumption		
Opening Stock	5210241	15,774,881
Add : Purchases during the year	47582851	69,826,615
Add : Transfers	-1054612	85,601,496
	51738480	11,123,987
Less : Closing Stock	3866832	-
Consumption	47871648	74,477,509
Power & Fuel	4095275	4,080,025
Repairs :	-	-
- Buildings	789174	510,443
- Machinery	437849	385,433
- Others	234373	577,352
Stores and Spares Consumed	108843	537,302
Freight Charges Inward	151727	119,332
Work In Progress Written Off	0	4,154,000
Direct Wages	2482943	1,571,549
Excise Duty	33383	-
Vat on Sales	10452514	-
Other Expenses	283587	152,863
Contract Expenses	0	62,914
Conversion Charges	0	3,261,818
Employee welfare	0	8,705
T O T A L	66941316	89,899,245

Schedule - 12 : ADMINISTRATION EXPENSES

Particulars	For the year 2009-2010 Rs.	For the year 2008-2009 Rs.
Staff Salaries and Allowances	2734917	1919134
Contribution to Provident Fund & ESI	141133	139342
Advertisement	24430	49241
Travelling & Conveyance	415310	1708492
Rent	88540	257496
Postage & Communication Expenses	164082	269150
Printing & Stationery	86519	106011
Insurance	146837	137736
Vehicle Maintenance	258904	392310
Repairs & Maintenance	-	40841
Remuneration to Directors	1077845	1323808
Electricity Expenses	2561	23480
Professional & consultancy	133500	177401
Audit Fees	110300	140000
Annual Fees	74304	53175
S.T.A. Expenses	38802	50000
Loss on Sale of Vehicles	459530	101745
Bad Debts Written Off	264229	74454634
Un Recoverable Advances Written Off	582825	27222000
Office up keep Expenses	51829	152868
Marketing expenses	-	459872
Duties & Taxes	294713	-
Listing Fees	-	207764
Other Expenses	138567	1230842
Other Write Off	-	
Legal Expenses	47900	
Security Expenses	179758	
Staff Welfare	93031	
Business Promotion	72459	
Computer Exp..., Books & Periodicals & Boarding	30292	
R.O.C Fee	22750	
Sales Tax Paid	256248	
	7992115	110,617,342

Schedule - 13 : FINANCIAL CHARGES

Particulars	For the year 2009-2010 Rs.	For the year 2008-2009 Rs.
On Working Capital Loans	385840	7834027
On Medium Term Loans	47688	298519
On Fixed deposit Loan-SBI	-	36758
On Hire Purchase Loans	135090	218163
Interest on TDS /Others	23345	-
Bank & LC Discounting Charges	177497	7042962
Stamp Duty	-	-
Foreign Exchange Loss	-	-
Legal Expenses	186616	
T O T A L	956076	15430429

SCHEDULE 14
SIGNIFICANT ACCOUNTING POLICIES:

- 1 **Accounting Convention:** These accounts have been prepared under historical cost convention and on the accounting principles of going concern. Accounting policies not specifically referred to otherwise be consistent and in accordance with generally accepted accounting principles.
- 2 **Revenue Recognition:** The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis
- 3 **Inventories:** Inventories are valued as under:
 - a. Raw Materials are valued at purchase price and other attributable costs.
 - b. Finished Goods are valued at lower of cost or net realizable value.
 - c. Work in Progress is valued at lower of cost or net realizable value
- 4 **Foreign Currency Transactions:** Exchange difference arising out of foreign currency transactions are recorded at the exchange rates prevailing at the transaction date.
- 5 Depreciation of Fixed Assets, which have been put, to use has been provided on Straight line method as per the classification and on the basis of Schedule XIV of the Companies Act, 1956.
- 6 Fixed Assets are stated at cost of acquisition.

SCHEDULE 15
NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR
ENDED 31ST MARCH, 2010

1. Contingent Liability not provided for:
 - i) Capital commitment not provided – NIL Previous Year – NIL.
 - ii) Claims against the company not acknowledged as debt – NIL Previous Year - NIL
 - iii) Other Contingent liabilities – NIL Previous Year - NIL
2. Balances in Debtors, Advances and Creditor accounts are subject to confirmation from the parties.
- 3 Working Capital Loan from Punjab National Bank and Medium Tern Loan (MTL) from Punjab National Bank is secured by charge on Fixed Assets, Hypothecation of Stocks, Stores and Spares, present and future Book Debts and claims and personal guarantee of the directors of the company. Further, Working Capital Loan from UCO Bank is secured by charge by way of Hypothecation of Current Assets of the company and personal guarantee of the Directors.

	Current Year 2009-10 Rs	Previous year 2008-09 Rs
4. Managerial Remuneration:		
i) Chairman & Managing Director:		
Salary :	600,000	600,000
Others :	168,867	168,867
ii) Executive Director		
Salary	240,000	240,000
iii) Whole Time Director :		
Salary :	220,000	220,000
Others :	36,846	26846
5. Auditors Remuneration:		
Statutory Audit Fee	100,000	80,000
Tax Audit Fee :	10,300	20,000
Sales Tax Audit Fee :		18,000
Other Services :	-	-

6. No employee has received salary of Rs.200,000 per month if employed part of the year or Rs.,2400,000 per annum during the year 2009-2010. Previous year : NIL.

	Current Year 2009-10 Rs	Previous Year 2008-09 Rs
7. Sundry Debtors: Above Six Months	15400593	32,31,015
Others	-	1,55,73,851
8. Conversion / Transaction of Foreign Currency Items : Import of Machinery	-	-
Income from I.T. Enabled Services	-	-
9. Earning per Equity Share :	Current Year 2009-2010 Rs	Previous Year 2008-2009 Rs
a) Net Profit/(Loss) after Tax (Rs. in lacs)	(2556806)	-106264863
b) No. of Equity Shares	79,41,400	79,41,400
c) Earning Per Share (in Rs .Ps)	-	-

10. There are no outstanding over-dues to Small Scale Industrial Undertakings and/or Ancillary Industrial Suppliers on account of principal and/or interest at the close of the year. This disclosure is based on the documents/information available with the company.
11. In accordance with the Accounting Standard 22 issued by the ICAI, the company is having a Tax Asset of Rs.40,82,874 on timing differences as on 31.03.2009.
12. 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 utilized 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.

13. Related Party Transactions :

The Company has transactions with the following related parties:

Name of the Party	Nature of Relation	Description of Transaction	Amount of Transaction Rs	Outstanding balance as on 31.03.2010	Writtenoff or written back
a) Javelin Communications FZ LLC				18,05,202	-
b) Key Management Personnel :					
1. Prasad Garapati	Managing Director	Payment of Salary	-	10,37,107	-
2. K.Saraswathi	Executive Director	Payment of Salary	-	-	-
3 Lakshmi Garapati	Whole-time Director	Payment of Salary	-	6,65,874	-

14. a) Previous year figures have been regrouped and rearranged wherever necessary.
 b) Paise have been rounded off to the nearest Rupee.

15. Prior-Period Items:

	Current Year 2009-10 Rs	Previous Year 2008-09 Rs
Cable/Interest on ICD's	-	46,58,630
Short Provision for Income tax	-	-
	-	46,58,630

16. Quantitative Information pursuant to the provisions of paragraphs 3,4C and 4D of Para-II of Schedule VI in respect of goods manufacture.

A) Installed Capacity: (Plastic Division)	Current Year 2009-10 Rs	Previous Year 2008-09 Rs
Injection Moulded Items	1700 MT	1700 MT
Actual Production	No.	No.
i) Plastic Chairs	147530	2,49,698
ii) Tableware & Kitchenware	3014822	18,62,279
Actual Production from the job work facility	K Ms	K.Ms
iii) Conductors	-	284.40
iv) Cables	-	138.38

B) Turnover and Stocks:

	Current Year 2009-10 (Qty in Nos.)		Previous Year 2008-09 (Value in Rs. Lakhs)	
	Qty	Value	Qty	Value
1. Plastic Chairs:				
Opening Stock	170	0.28	10554	
Sales	147461	10259440	260082	185.40
Closing Stock	239	34.872	170	0.28
2. Tableware & Kitchenware of Plastics:				
Opening Stock	0	-	81276	10.6
Sales	2986627	72428328	1943555	456.05
Closing Stock	28195	11.128	-	-
3. Conductors				
Opening Stock	64453.7544	93.09	32.1	26.28
Sales	0	0	316.5	93.09
Closing Stock	64453.7544	93.09	-	-
4. Cables				
Opening Stock	5.62	19.38	31.01	33.71
Sales	0	0	163.77	348.88
Closing Stock	5.62	19.38	5.62	19.38

C) Major Raw Material Consumption:
(Quantity in MTs & Value in Rs.Lacs)

	Current Year 2009-10		Previous Year 2009-09	
	Qty	Value	Qty	Value
PP/PE				
Opening Stock	34.47	22.33	6.06	5.15
Purchases	277.6	253.38	241.98	153.25
Closing Stock	65.12	59.44	34.47	22.33
Sale of Material	0	0	-	
Consumption	307.48	280.66	213.57	136.07
Filled PP				
Opening Stock	0	0	-	
Purchases	0	0	9.7	3.01
Closing Stock	0	0	-	
Sale of Material	0	0	-	
Consumption	0	0	9.7	3.01
LLDPE				
Opening Stock	8.17	28.27	1.00	0.97
Purchases	101.5	867.62	65.83	56.88
Closing Stock	14.7	125.65	8.17	28.27
Sale of Material	0	0	-	
Consumption	94.59	808.61	58.66	29.58
Aluminium				
Opening Stock	0	0	9.33	14.53
Purchases	0	0	66	108.16
Closing Stock	0	0	-	
Consumption	0	0	75.33	122.69
Alloy				
Opening Stock	0	0	-	
Purchases	0	0	-	
Closing Stock	0	0	-	
Consumption	0	0	-	
XLPE LT & MV				
Opening Stock	0	0	0.80	0.84
Purchases	0	0	27.9	31.11
Closing Stock	0	0	-	0.8
Consumption	0	0	28.7	31.95

Segment Information for the year ended 31st March, 2010
Primary Segment reporting – Business Segments.

Rs. in lakhs

	Plastic Division	Software Division	Power Engineering Division	TOTAL
REVENUE		790.24	11.60	801.84
RESULT				
Profit				
Before Interest		82.53961	-41.06476	41.47485
Depreciation, Taxation and extraordinary Items				
Less : Depreciation		26.84	3.91	30.75
Profit After Depreciation		55.70	-44.97	10.72
Less : Financial Charges		4.85	4.70	9.55
Profit After Interest		50.85	-49.67	1.15
Less: Fringe Benefit Tax		0	0	0
Less : Prior Period Exp.		12.88	13.84	26.72
Less : Provision for Taxation		0	0	0
Add : Provision for Deferred Tax		0	0	0
PROFIT AFTER TAX		37.96961	-63.52	25.56
OTHER INFORMATION				
Segment Assets	194.62	-386.46	476.98	285.14
Segment Liabilities	41.94	121.16	30.00	193.10
Depreciation debited to Profit and Loss account		26.84	3.91	30.75
Non Cash Expenses other than depreciation debited to the Profit and Loss Account		0	0	0

To be read with our Report of even date

For JBRK & CO.,
Chartered Accountants,

For and on behalf of the Board of Directors
For Innocorp Limited

Sd/-
P.Jitendra Kumar
 Partner
 M.M.

Sd/-
PRASAD VSS GARAPATI
 Managing Director

Sd/-
SAHU GARAPATI
 Director

Place : Hyderabad,
 Date : 28.08.2010

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL PROFILE AS PER
SCHEDULE VI. PART –(IV) OF THE COMPANIES ACT, 1956**

I. Registration Details:

Registration No	:	18364
State Code	:	01
Balance Sheet Date	:	31.03.2010

II. Capital Raised During the year :

		(Rs. In lakhs)
Public Issue	:	-
Rights Issue	:	-
Bonus Issue	:	-
Private Placement	:	-

III. Position of Mobilisation and Deployment of Funds:

	2009-2010
	(Rs. In lakhs)
Total Liabilities	7791.38
Total Assets	7791.38
Sources of Funds	
Paid-up Capital	794.14
Reserves & Surplus	-
Share Application Money	40.25
Secured Loans	106.31
Un-Secured Loans	71.93
Transitional Deferred Tax	-
Application of Funds	
Net Fixed Assets	430.86
Investments	-
Net Current Assets	285.14
Miscellaneous Expenditure	22.29
Deferred Tax	-

VI. Performance of the Company:

	2009-2010
	(Rs. In lakhs)
Net Turnover	697.27
Total Expenditure	722.84
Prior period adjustments	1.16
Profit/(Loss) after Tax	-25.56
Dividend Rate	N/A

V. Generic name of Principal Products/services of the Company (as monetary terms)

Item Code	Product Description
84771000	Injection Moulding Articles
39231000	Boxes, Cases and Crates
34029003	Cleaning Agents

INNOCORP LIMITED

Regd.Office: Plot No. 41, IDA Mallapur, Hyderabad– 500 076

PROXY FORM

Regd. Folio No.....

I/We ofin the district of being a member / members of the above named company hereby appoint of..... in the district ofas my / our proxy to vote for me / us on my /our behalf at the 16th Annual General Meeting to be held on Thursday, 30th September, 2010 at 11.00 A.M at the Registered office of the company and at any adjournment thereof.

Signed this.....day of2010

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– 500 076

ATTENDANCE SLIP

16th Annual General Meeting – 30TH September 2010

Regd.Folio No.....

I Certify that I am a Registered Shareholder / Proxy for the Registered Shareholder of the Company.

I hereby record my presence at the 16th Annual General Meeting of the Company at the registered office of the company on Thursday,, 30th September, 2010.

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.

INNOCORP LIMITED

16th

Annual Report

2009 - 2010

BOOK - POST

if undelivered please return to :

INNOCORP LIMITED

REGISTERED OFFICE :

Plot No: 41, IDA Mallapur, HYDERABAD – 500076