

BOARD OF DIRECTORS

Sri. C.Bhagavantha Rao (DIN : 00218713)
Smt. C.Neelima (DIN : 02737481)
Sri. P.Ram Rao (DIN : 00137511)
Smt. P.Himabindu (DIN : 06605646)

Managing Director
Whole-time Director
Director
Director

AUDITORS

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

BANKERS

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

REGISTERED OFFICE & FACTORY

INCAP LIMITED

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

REGISTRARS & SHARE TRANSFER AGENTS (PHYSICAL & DEMAT):

M/s. VENTURE CAPITAL & CORPORATE INVESTMENTS PRIVATE LIMITED

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

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

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

NOTICE

Notice is hereby given that the **TWENTY SEVENTH ANNUAL GENERAL MEETING** of **M/s. INCAP LIMITED**(CIN: L32101AP1990PLCO 11311) will be held on Saturday, the 23rd September, 2017 at 12.00 Noon at the Registered Office of the company at 1-58, Nidamanuru, Vijayawada – 521104, Krishna District, Andhra Pradesh to transact the following business :

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the company for the financial year ended 31st March, 2017 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Smt. P.Himabindu (DIN : 06605646) who retires at this meeting and being eligible offers herself for re-appointment.
3. To declare dividend for the year 2016-2017.
4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139(2) and any other applicable provisions of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) read with Companies (Audit and Auditors) Rules, 2014, M/s. K.V.V. Prasad & Co. (FRN:002758S) be and are hereby appointed as Statutory Auditors of the Company for a period of 3 years from conclusion of 27th Annual General Meeting until the conclusion of 30th Annual General Meeting, in place of M/s.Purnachandra Rao & Co., the retiring auditors at such

remuneration as may be decided by the Board of Directors from time to time, subject to ratification as to the said appointment at every Annual General Meeting".

"RESOLVED FURTHER THAT to give effect to above resolution, Board of Directors be and are hereby authorized to take all necessary steps and to do all such acts, deeds, matters and things which may deem necessary in this behalf".

SPECIAL BUSINESS :

5. Reappointment of Sri C.Bhagavantha Rao, (DIN : 00218713) as Managing Director of the Company of the Company and revision of remuneration:

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **SPECIAL RESOLUTION:-**

"RESOLVED THAT pursuant to the provisions of sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule - V of the Companies Act, 2013 and on recommendation of the Nomination and remuneration committee, consent of the Members be and is hereby accorded to the re-appointment of Sri c.Bhagavantha Rao, (DIN : 00218713) Managing Director of the Company with effect from 01st February, 2017 for a period of 3 years on following remuneration, terms and conditions :

- A. Salary :** Monthly Remuneration of Rs. 1,31,450/-.

B. Perks & Allowances of Rs.68,550/-

- i. Rent Free Accommodation.
- ii. Medical expenses for Self & Family subject to Ceiling of one months's salary in year or 3 months salary over a period of 3 years.
- iii. LTC - For self and family once in a year in accordance with any rules specified by the company.
- iv. Club Fee : Fee of clubs subject to a max of one club, admission and life membership not allowed.
- v. Personnel Accident Insurance : Premium not to exceed Rs.2000/- per month.
- vi. Entertainment expenses : Reimbursement of entertainment expenses not exceeding Rs.2000/- per month.

"RESOLVED FURTHER THAT the remuneration payable to Managing Director shall not exceed the overall ceiling of the total managerial remuneration as provided under section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

6. Reappointment of Ms.Neelima Challagulla (DIN : 02737481) as Whole Time Director of the Company and revision of remuneration :

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **SPECIAL RESOLUTION:**

" RESOLVED THAT pursuant to the provisions of sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including and statutory modification or re-enactment thereof) read with Schedule - V of the Companies Act, 2013 and on recommendation of the Nomination and remuneration Committee be and is hereby accorded to the re-appointment of Ms.Neelima Challagulla (DIN : 02737481) of the Company with effect from 30th May, 2017 for a period of 3 years on following remuneration, terms and conditions:

A. Salary:Monthly Remuneration of Rs.90,000/-

B. Perks & Allowances of Rs.60,000/-

- i. Rent Free Accommodation.
- ii. Medical expenses for Self & Family subject to ceiling of one month's salary in year or 3 months salary over a period of 3 years.
- iii. LTC - For self and family once in a year in accordance with any rules specified by the company.
- iv. Club Fee : Fee of clubs subject to a max of one club, admission and life membership not allowed.
- v. Personnel Accident Insurance : Premium not to exceed Rs.1000/- per month.

vi. Entertainment Expenses : Reimbursement of entertainment expenses not exceeding Rs.1000/- per month.

" **RESOLVED FURTHER THAT** the remuneration payable to Whole Time Director shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

" **RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution".

By Order of the Board
For INCAP LIMITED

C.BHAGAVANTHA RAO
MANAGING DIRECTOR
DIN : 00218713

VIJAYAWADA
29th July, 2017

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM/HERSELF AND A PROXY NEED NOT BE A MEMBER.
2. The proxy form duly completed must reach the Registered Office of the Company not later than forty-eight hours before the time appointed for holding the meeting.
3. Pursuant to the provision of section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total share capital of the company. Members holding more than ten percent of the total share capital of the company may appoint a single person as proxy, who shall not act as a proxy for any other Member. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/ authority, as applicable.
4. The Register of Members and Share Transfer books of the company will remain closed from 16th September, 2017 to 19th September, 2017 (Both days inclusive) for the purpose of Annual General Body meeting for the year ended 31st March, 2017.
5. The dividend if any declared at this meeting will be paid to those members, whose names appear in the Register of Members of the company as on 15th September, 2017.
6. The Notice of the AGM along with the Annual Report 2016-2017 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories, unless any Member has requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. A copy of the notice of the AGM along with the Annual Report is also available for download on the

- website of the company www.incaplimited.com. To support the 'Green Initiative' Members who have not registered their e-mail addresses are requested to register the same with link in time/Depositories.
7. Relevant documents/agreements referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during the business hours upto the date of the meeting.
 8. In case of Joint Holders attending the meeting, the member whose name appears as the first holder in the order of names as per Register of members will be entitled to vote.
 9. Corporate members intending to send their authorized representative to attend the Meeting are requested to send to the company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
 10. Members / proxies should bring the attendance slips duly filled in for attending the meeting.
 11. Voting Through Electronic Means:-
 - (i) In accordance with applicable provisions of the Listing Agreement and Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014 (the Rules), the company is pleased to provide facility to its members, to cast their vote electronically for all the resolutions proposed at the 27th Annual General Meeting of the company. The company has appointed Central Depository Services (India) Ltd. (CDSL) to provide e-voting facility to its members.
 - (ii) The voting right of shareholders shall be in proportion to one vote per full paid equity share of the company held by them as on the cutoff date 15th September, 2017.
 - (iii) The remote e-voting period begins on Wednesday, September 20, 2017 at 09:00 hours (IST) and ends at on Friday, September 22, 2017 at 17:00 hours (IST). During this period shareholders' of the Company, holding share either in physical form or in dematerialized form, as on the cut-off date of September 15, 2017, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
 - (iv) The facility for voting by ballot or polling paper shall also be made available at the meeting and Members of the Company as of cutoff date, attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
 - (v) M/s. B.L.Chandrasekhar Sarma & Associates, Practicing Company Secretaries has been appointed by the Board of Directors of the company, as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - (vi) The procedure and instructions for e-voting are as under
 - (i) The voting period begins on September 20, 2017 at 09.00 hours (IST) and ends on September 22, 2017 at 17.00 hours (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date September 15, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iii) Click on Shareholders.
 - (iv) Now Enter your User ID

INCAP LIMITED

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

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

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

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

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

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

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

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

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

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

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

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

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

Explanatory Statement under Section 173(2) of the Companies Act.

Item No.5:

The Board of Director of the Company in their meeting held on 31st January, 2017 re-appointed Sri C.Bhagavantha Rao (DIN : 00218713) as Managing Director of the Company, subject to

approval of the shareholder of the Company. The terms and conditions on which Sri C.Bhagavantha Rao (DIN : 00218713) has been re-appointed as a Managing Director of the Company shall contain the following remuneration which shall be within overall ceiling as specified in the Companies Act.

1. The Managing Director shall, subject to the supervision and control of the Board of Directors of the Company, manage the business and affairs of the company.

2. Period of Appointment : Three years with effect from 01-02-2017.

3. Remuneration Payable : With effect from 01-02-2017.

Remuneration : Rs. 131450/- per month

Perks & allowances : Rs.68,550/- per month.

Perquisites :

PART – A:

1. Rent Free Accommodation.

2. The expenditure incurred on gas, electricity, water and furnishing will be as per the Income Tax Rules, 1962. This will however be subject to a ceiling of Rs.5000/- per month.

3. Medical reimbursement : Expenses incurred for self and family subject to a ceiling of one month's salary in year or 3 month's salary over a period of 3 years.

4. Club Fees : Fees of clubs subject to a maximum of one club, admission and life membership fees not being allowed.

5. Personnel Accident Insurance : Premium not to exceed Rs.1000/- per month.

6. Entertainment Expenses : Reimbursement of entertainment expenses not exceeding Rs.1000/- per month.

PART – B :

Contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax, 1961. Gratuity will be limited to half-a-month's salary for each completed year of service.

PART – C :

Provision of car with driver and telephone at residence. Personal long distance call on telephone and use of car for private purpose shall be billed by the company to Sri C.Bhagavantha Rao (DIN : 00218713).

Provided that if any financial year, during the tenure of the Managing Director, the company has no profits or its profits are inadequate, it may pay Sri. C.Bhagavantha Rao (DIN : 00218713) remuneration by way of salary and perquisites not exceeding the limits specified above.

Your directors recommended the resolution for approval.

None of the Directors of the company except Sri C.Bhagavantha Rao (DIN : 00218713) is concerned with or interested in the resolution.

Items No. : 6

The Board of Director of the Company in their meeting held on 31st January, 2017 appointed Smt. C.Neelima (DIN : 02737481) as a Whole-time-Director of the company, subject to approval of the shareholder of the General Meeting. The terms and conditions on which Smt. C.Neelima (DIN : 02737481) has been appointed as the Director of the company shall contained the

INCAP LIMITED

following remuneration which shall be within overall ceiling as specified in the Companies Act.

1. The Whole-time-Director shall, subject to the supervision and control of the Board of Directors of the company / Managing Director of the company and shall manage the business and affairs of the company.

2. Period of appointment : Three years with effect from 30-05-2017

3. Remuneration payable : With effect from 30-05-2017.

4. Remuneration : Rs. 90,000/- per month.
Perks & Allowances : Rs.60,000/- per month.

5. Personnel Accident Insurance : Premium not to exceed Rs.1000/- per month.

6. Entertainment Expenses : Reimbursement of entertainment expenses not exceeding Rs.1000/- per month.

Contribution to Provident Fund, Super annuation and Annuity Fund : The Companies contribution to provident fund and superannuation or Annuity fund as per rules of the company applicable to Senior Executives.

Gratuity : As per the rules of the company applicable to Senior Executives.

LTC : For self and family once in a year in accordance with any rules specified by the company.

Amenities:

1. Minimum Remuneration : In the event of loss or indecency of profits in any financial year during the current tenure of service of the Director, the payment of salary, perquisites and other allowances shall be governed by the limits

prescribed under Companies Act including any statutory modification or re-enactment there of as may for the time being in force.

Smt. C.Neelima (DIN : 02737481) may be deemed to the concerned or interest in the resolution in her appointment. No other Director of the Company is interest in the resolution.

By Order of the Board
For INCAP LIMITED

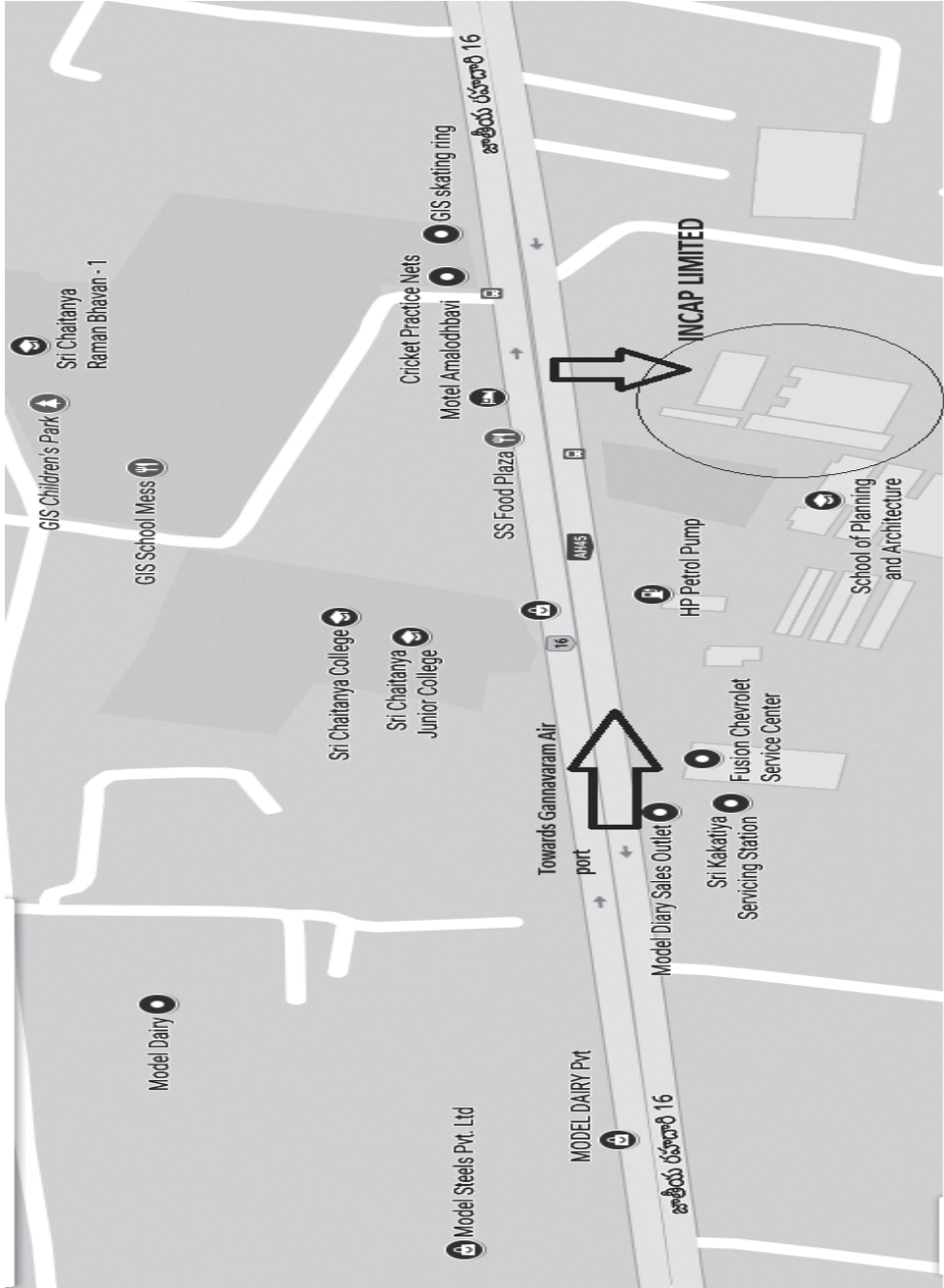
C.BHAGAVANTHA RAO
MANAGING DIRECTOR
DIN : 00218713

VIJAYAWADA
29th July, 2017

**Details of Directors seeking appointment / re-appointment at the AGM
[Pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standards -
2 on General Meetings]**

Particulars	Sri C.Bhagavantha Rao	Smt. C.Neelima	Smt. P.Himabindu
Director Identification Number (DIN)	00218713	02737481	06605646
Date of Birth	01-03-1951	15-08-1979	24-04-1978
Date of first appointment	21-05-1990	25-07-2009	17-06-2013
Qualification	M.Com	B.Tech	B.Tech
Expertise in specific functional areas	Finance & Administration	Technical & Administration	Technical & Software
Terms and conditions of appointment/re-appointment	Refer Item No.5 of the Notice	Refer Item No. 6 of the Notice	Appointed as Non-Executive Director liable to retire by rotation.
No.of Board Meetings attended during the year	4	4	3
Details of remuneration last drawn (2016-2017)	14.00 laksh	9.60 laksh	Nil
No. of shares held in the company a) Own b) For other persons on a beneficial basis	10,23,707 Equity shares --	12,11,407 Equity shares --	6,48,399 Equity shares --
Directorship held in other public companies (excluding foreign and private companies)	Nil	Nil	Nil
Memberships/Chairmanships of Audit Committees and Investors' Grievance Committees across public companies	Nil	Nil	Nil
Shareholding	19.94% (10,23,707 Equity Shares)	23.60% (12,11,407 Equity Shares)	12.63% (6,48,399 Equity Shares)

ROUTE MAP



DIRECTORS' REPORT

To
The Members,
Incap Limited

CIN : L32101AP1990PLC011311

Your Directors have pleasure in presenting the Twenty Seventh Annual Report on the business and operation of the company and the Audited Financial Accounts for the year ended 31st March, 2017 together with Auditors' Report thereon.

1. FINANCIAL RESULTS :

The financial results for the year ended 31st March, 2017 are summarized below:

(Rs. In Lakhs)

PARTICULARS	2016-2017	2015-2016
Revenue from Operations	2857.04	3006.35
Other Income	38.29	35.34
Total Income	2895.33	3041.69
Total Expenditure	2468.99	2713.42
Profit before Interest, Depn. & Tax	426.34	328.27
Interest	41.44	51.58
Profit before Depn. & Tax	384.90	276.69
Depreciation	29.74	37.78
Goodwill written off	-	-
Profit before Tax	355.16	238.91
Add : Deferred Tax Liability (Net)	-7.47	-5.97
Provision for Tax	111.98	91.42
Profit after Tax	235.71	153.46
Add : Brought forward from previous year	357.14	265.46
	592.85	418.92
Appropriations		
Provision for Dividend	51.33	51.33
Tax on Dividend	10.45	10.45
Surplus carried to Balance Sheet	531.07	357.14

2. STATE OF COMPANY AFFAIRS :

During the year 2016-2017 your company achieved a turnover of Rs.2857.04 Lakhs against Rs.3006.35 Lakhs for the year 2015-2016 your company made a net profit of Rs.235.71 Lakhs during the year.

3. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS :

There are no material changes and commitments affecting financial position of the company between 31st March, 2017 and the date of Board's Report.

4. EXTRACT OF ANNUAL RETURN :

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

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

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

6. DIVIDEND :

The Board of Directors recommended for your consideration a dividend on equity share at 10% (Re.1.00 per equity share) for the year ended 31st March, 2017. The total amounts of outgo on account of these will Rs.51.33 Lakhs towards dividend and Rs.10.45 Lakhs towards tax on dividend.

7. DIRECTORS :

Sri C.Bhagavantha Rao, (DIN : 00218713) and Ms.Neelima Challagulla (DIN : 02737481) were re-appointed as Managing Director and Whole Time Director of the Company respectively on 31st January, 2017 for a period of 3 years and detail information refer explanatory Item No.5 and 6.

Smt. P.Himabindu having (DIN : 0006605646), retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

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

8. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS :

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

9. POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION :

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

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

The Board of Directors have carried out an annual evaluation of its own performance, its various committees and individual directors pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 (Listing Regulations).

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of various criteria such as Board composition, process, dynamics, quality of deliberations, strategic discussions, and effective reviews, committee participation, governance reviews etc.

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

11. TRANSFER TO RESERVES :

No amount was transferred to the reserves during the financial year ended 31st March, 2017.

12. NUMBER OF MEETINGS OF THE BOARD :

The Board of Directors met 4 (Four) times on 25th May, 2016, 30th July, 2016, 29th October, 2016 and 31st January, 2017 dates during the financial year.

Name of the Director	Number of meetings attended / total meeting held during the Financial Year 2016-2017
Sri C.Bhagavantha Rao	4 / 4
Sri P.Ram Rao	1 / 4
Smt. C.Neelima	4 / 4
Smt. P.Himabindu	3 / 4

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

Your company strongly believes in providing a safe and harassment free workplace for each and every individual working for the company through various interventions and practices. It is the continuous endeavor of the management of the company to create and provide an environment to all its employees that is free from discrimination and harassment including sexual harassment. During the year ended 31st March, 2017, no complaints pertaining to sexual harassment was received by the Company.

14. STATUTORY AUDITORS :

Under Section 139 of the Indian companies Act, 2013 and the rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the said section. The audit committee of the company has proposed and on 29th July, 2017, the Board of Directors of the company has recommended the appointment of M/s.K.V.V.Prasad & Co., Chartered Accountants (FRN : 002758S) as the statutory auditors of the Company, who will hold the office for a period of 3 consecutive years from the conclusion of 27th Annual General

Meeting until the conclusion of 30th Annual General Meeting, subject to the ratification at every annual general meeting.

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

15. SECRETARIAL AUDITORS :

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/ s. A.N.Sarma & Co., Company Secretaries for conducting secretarial audit of the Company for the financial year 2016-2017. The Secretarial Audit Report (Form MR-3) is enclosed **Annexure "C"** to this report. The remarks, qualification and reservation of Secretarial Auditor have been mentioned in the report and the reasons for not appointing Independent Directors and Company Secretary of the company is explained as follows.

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

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

16. LOANS, GUARANTEES & INVESTMENTS :

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

17. RELATED PARTY TRANSACTIONS :

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

18. COMPOSITION OF AUDIT COMMITTEE :

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

19. RISK MANAGEMENT POLICY :

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

20. INTERNAL FINANCIAL CONTROLS :

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal

Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Managing Director.

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

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

21. CORPORATE SOCIAL RESPONSIBILITY :

The provisions of Corporate Social Responsibility are not applicable to the Company under the provisions of the Companies Act, 2013

22. PUBLIC DEPOSITS :

The Company has not accepted any deposit from the Public during the year under review, under the provisions of the Companies Act, 2013 and the rules framed thereunder.

23. VIGIL MECHANISM :

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 and as per Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 (Listing Regulations), the Company has vigilance Mechanism comprising of Executive and Non Executive Promoter Directors.

24. CORPORATE GOVERNANCE REPORT :

Your company has taken adequate steps to adhere to all the stipulations laid down in the Listing Regulations. Report on Corporate Governance is enclosed as **Annexure “D”** to this Report. Certificate from the Statutory Auditors of the company confirming the compliance with the conditions of Corporate Governance as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 (Listing Regulations) is enclosed as **Annexure “E”** to this report.

25. MANAGEMENT DISCUSSIONS ANALYSIS :

The management discussion and analysis on the operation of the Company as prescribed under Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 (Listing Regulations) is enclosed as **Annexure “F”** to this report.

26. DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to section 134 of the Act, the Directors, based on the representation received from the Directory hereby confirm that:-

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- b) 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;

- c) 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 regulations.
- d) They have prepared the annual accounts on a going concern basis.
- e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) The directors had devised proper systems to ensure compliance with the provision of all applicable laws and that such systems were adequate and operating effectively.

27. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO :

a. Conversation of Energy :

(i)	The steps taken or impact on 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 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.
(ii)	The steps taken by the company for utilizing alternate sources of energy	NIL
(iii)	The capital investment on energy conservation equipment's	NIL

b. Technology Absorption :

(i)	The efforts made towards technology absorption	Company is not based on any technology, hence technological absorption don't arise.
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	NIL
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	Company has not imported Foreign Technology.

(a) The details of technology imported	NIL
(b) The year of import	NIL
(c) whether the technology been fully absorbed	NIL
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	NIL
(iv) The expenditure incurred on research and development	NIL

c. Foreign exchange earnings and outgo :

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	1302.45	1377.44
ii) Capital Goods	24.88	38.00
iii) Foreign Travel	14.36	7.70

28. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATIONS :

No significant and material orders passed by the regulators or Courts or Tribunals impacting the going concern status and the company's operations in future.

29. RATIOS OF REMUNERATION TO EACH DIRECTOR :

Details / Disclosures of Ratio of Remuneration to each Director to the median employee's remuneration to this Annual Report –

(Rs. in Lakhs)

Name	Designation	Remuneration Paid		Increase in Remuneration from previous year	Ratio/Times per Median of Emp. Remuneration
		2016-17	2015-16		
Sri C.Bhagavantha Rao	Managing Director	14.00	12.00	Nil	13 times
Smt C.Neelima	Whole time Director	9.60	9.60	Nil	9 times

30. 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.

31. 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. Towers, Dalal Street, Mumbai – 400001. The annual listing fee to BSE Limited for the year 2016-2017 has been paid.

32. PARTICULARS OF EMPLOYEES :

Information as per section 197 (12) of the companies Act, 2013, read with rule 5 of the companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is provided in separate annexure forming part of this report. Further, pursuant to the provision to section 136 (1) of the companies Act, 2013, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of section 136 of the Act, the said annexure is open for inspection at the Registered Office of the company. Any shareholder interested in obtaining a copy of the same may write to the registered office address of the company.

There are no employees drawing remuneration as prescribed in companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

33. ACKNOWLEDGEMENTS :

Your Directors wish to express their grateful appreciation for the assistance and cooperation received from State Bank of India, 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 cooperation extended by them at all levels.

Yours 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
29th July, 2017

C.BHAGAVANTHA RAO
MANAGING DIRECTOR
DIN : 00218713

ANNEXURE – A

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.**I. REGISTRATION & OTHER DETAILS:**

1. CIN	:	L32101AP1990PLC011311
2. Registration Date	:	21-05-1990
3. Name of the Company	:	INCAP LIMITED
4. Category / Sub-category of the Company:		Public Company
5. Address of the Registered Office & Contact details	:	1-58, Nidamanuru, Vijayawada - 521104 Email : investorsincap@gmail.com Tel : 0866-2842479; 2842571
6. Whether listed company	:	Yes
7. Name, Address & contact details of the Registrar & Transfer Agent, if any:	:	M/s. Venture Capital & Corporate Investments Private Limited 12-10-167, Bharat Nagar, Hyderabad - 500018 Email : info@vccilindia.com Tel : 040 - 23818475; 23818476

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

S.No.	Name and description of the main products / services	NIC code of the Product/service	% to total turnover of company
1.	Aluminium Electrolytic Capacitors	26101	66.80%
2.	Other - (Inland transportation and port clearance for power grid)	-	33.20%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATES COMPANIES:

(All the business activities contributing 10% or more of the the total turnover of the company shall be stated)

S.No.	Name and description of the main products / services	NIC code of the Product/service	% to total turnover of company
1.	Nil	Nil	Nil

IV. SHARE HOLDING PATTERN : (Equity share capital breakup as percentage of Total Equity)

A .Category-wise shareholding :

Category of Shareholders	No. of shares held at the beginning of the year(As on 31-03-2016)				No. of shares held at the end of the year(As on 31-03-2017)				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	%of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	3276353	480000	3756353	73.18	3282491	480000	3762491	73.30	0.16
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp									
e) Banks / FI									
f) Any Other									
Sub-total(A)(1):-	3276353	480000	3756353	73.18	3282491	480000	3762491	73.30	0.16
2) Foreign									
g) NRIs-Individuals									
h) Other-Individuals									
i) Bodies Corp.									
j) Banks / FI									
k) Any Other....									
Sub-total(A)(2):-									
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	100		100		100		100		
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1)	100		100		100		100		
2. Non Institutions									
a) Bodies Corp.									
(i) Indian	31999	6000	37999	0.74	39519	6000	45519	0.89	19.79
(ii) Overseas									
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	799743	278040	1077783	21.00	758509	273940	1032449	20.11	-4.21
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	46778	24600	71378	1.39	68828	24600	93428	1.82	30.89
c) Others(Specify)									
NRI	187323		187323	3.65	191382		191382	3.73	2.17
Clearing Members	2164		2164	0.04	7731		7731	0.15	257.26

INCAP LIMITED

Category of Shareholders	No. of shares held at the beginning of the year(As on 31-03-2016)				No. of shares held at the end of the year(As on 31-03-2017)				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	%of Total Shares	
Trusts	100		100		100		100		
Sub-total(B)(2)	1068107	308640	1376747	26.82	1066069	304540	1370609	26.70	-0.45
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1068207	308640	1376847	26.82	1066169	304540	1370709	26.70	-0.45
C. Shares held by Custodian for GDRs & ADRs									
GrandTotal (A+B+C)	4344560	788640	5133200	100.00	4348660	784540	5133200	100.00	-0.28

ii.) Shareholding of promoters :

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the company	% of shares pledged/en-cumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged/en-cumbered to total shares	
1.	C.Bhagavantha Rao	1023707	19.94	-	1023707	19.94	-	-
2.	C. Neelima	1211407	23.60	-	1211407	23.60	-	-
3.	P.Ram Rao	510933	09.95	-	510933	09.95	-	-
4.	P.Himabindu	648399	12.63	-	648399	12.63	-	-
5.	C. Lalitha Kumari	361907	07.05	-	368399	07.17	-	0.17
	Total	3756363	73.18	-	3756363	73.30	-	0.16

iii.) Change in promoters' Shareholding (please specify, if there is no change)

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
At the beginning of the year	3756363	73.18	3756363	73.18
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decreas (e.g.allotment/transfer/bonus/sweat equity etc)	6128	0.12	3762491	73.30
At the end of the year	3762491	73.30	3762491	73.30

iv) Shareholding pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs)

sr. no		Shareholding the beining of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/ decreases (e.g.allotment/transfer/ bonus/sweat equity etc)	REFER ANNEXURE - I			
	At the end of the year				

v) Shareholding of Directors and Key Managerial personnel :

sr. no		Shareholding the beining of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	3756363	73.18	3756363	73.18
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	6128	0.12	3762491	73.30
	At the end of the year	3762491	73.30	3762491	73.30

V. INDEBTEDNESS -

Indebtedness of the company including interest outstanding/accrued but not due for payment.

	Secured loans excluding depositions	Unsecured Loans	Deposits	Total indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	143.08	-	-	143.08
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	143.08	-	-	143.08
Change in indebtedness during the financial year				
* Addition				
* Reduction	136.17	-	-	136.17
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	6.91	-	-	6.91
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	6.91	-	-	6.91

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :**A. Remuneration to Managing Director, Whole-time-Director and/or Manager :**

Sl.No.	Particulars of Remuneration	C.Bhagavantha Rao Managing Director	C.Neelima W.T.D.	Total Amount
1.	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	9,77,400	57,6000	15,53,400
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	4,22,600	3,84,000	8,06,600
	c) Profits in lieu of salary unders section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - other, specify	-	-	-
5.	Others, please specify	4,19,706	-	4,19,706
6.	Total (A)	18,19,706	9,60,000	27,79,706
	Ceiling as per the Act	As per Schedule V of the Act		

B. Remuneration to other directors :

Sl.No.	Particulars of Remuneration	P.Himabindu Director	P. Ram Rao Director	Total Amount
	<u>Independent Directors</u>			
	- Fee for attending Board Committee meetings	-	-	-
	- Commission	-	-	-
	- Others, please specify	-	-	-
	Total (1)			
	<u>Other Non-Executive Directors</u>			
	- Fee for attending Board Committee meetings	4000	2000	6000
	- Commission	-	-	-
	- Others, please specify	-	-	-
	Total (2)	4000	2000	6000
	Total B = (1+2)	4000	2000	6000
	Total Managerial Remuneration			27,85,706
	Overall Ceiling as per the Act			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

S.No	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	CS	CFO	
1.	Gross Salary a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 b) Value of perquisites u/s 17(2) Income Tax Act, 1961 c) Profits in lieu of salary unders section 17(3) Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - other, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	Total	-	-	-	-

VI. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NGLT/ COURT)	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. Other Officer in Default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Shareholding pattern of top shareholders - Annexure - I

S. No.	Date of Trans.	Nature of Trans.	Name of the Shareholder	Shareholding at the beginning of the year		Cummulative Shareholding during the year	
				No. of Shares	% of total outstanding share of the company	No. of Shares	% of total outstanding share of the company
1.	01.04.16	Op.Bal	Anil Gurmukh Bhagwani	167315	3.26	167315	3.26
	31.03.17	Cl. Bal				167315	3.26
2.	01.04.16	Op.Bal	Ajay Narendra Shah	16000	0.31	16000	0.31
	31.03.17	Cl. Bal				16000	0.31
3.	01.04.16	Op.Bal	Hema Sri Boddapati	25000	0.49	25000	0.49
	31.03.17	Cl. Bal				25000	0.49
4.	01.04.16	Op.Bal	Batchu	12490	0.24	12490	0.24
	31.03.17	Cl. Bal				12490	0.24
5.	01.04.16	Op.Bal	Bandal Sai babu	10000	0.19	10000	0.19
	31.03.17	Cl. Bal				10000	0.19
6.	01.04.16	Op.Bal	Jyothsna Sri Yella	21778	0.42	21778	0.42
		Sold		7184	0.14	14594	0.28
	31.03.17	Cl. Bal				14594	0.28
7.	01.04.16	Op.Bal	Sangeetha S	18450	0.36	18450	0.36
	31.03.17	Cl. Bal				18450	0.36
8.	01.04.16	Op.Bal	Ajai Rai Madam	20000	0.39	20000	0.39
	31.03.17	Cl. Bal				20000	0.39
9.	01.04.16	Op.Bal	Kavita Paturu	12674	0.25	12674	0.25
	31.03.17	Cl. Bal				12674	0.25
10	01.04.16	Op.Bal	Venkateswara Rao S	24600	0.48	24600	0.48
	31.03.17	Cl. Bal				24600	0.48

INDEPENDENT AUDITORS' REPORT

To Members of INCAP LIMITED (CIN: L32101AP1990PLC011311)

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of Incap Limited (CIN: L32101AP1990PLC011311), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, and the Cash Flow Statement for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in sub-section 5 of Section 134 of the Companies Act, 2013 with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under sub-section 10 of Section 143 of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial

controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements 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, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2015 ('the Order'), issued by the Central Government of India in exercise of powers conferred by sub-section 11 of section 143 of the Act, we enclose in the Annexure - I statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by sub-section 3 of Section 143 of the Act, we report that:
 - (a) We have sought and 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 it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the Directors as on March 31, 2017 taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2017 from being appointed as a Director in terms of sub-section 2 of Section 164 of the Act.
 - (f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate report in 'Annexure – II' and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements in accordance with the generally accepted accounting practice – also refer Note 31(iv)(a)(i) to the financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. The Company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in specified Bank Notes as defined in the notification S.O.3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management. Also refer Note -27(viii) to the standalone Ind AS Financial statements.

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

VIJAYAWADA
29th July, 2017

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

ANNEXURE TO AUDITORS REPORT OF EVEN DATE

Referred to in paragraph 3 of our report of even date to the members of Incap Limited (CIN: L32101AP1990PLC011311) on the Financial Statements for the year ended 31st March, 2017.

- 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties are held in the name of the Company.
- ii. The Inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
- iii. The Company not granted any loans, secured or unsecured to companies, firms and other parties covered in the register maintained under section 189 of the Companies Act, 2013. In view of above, clauses iii (a), iii (b) are not applicable.
- iv. In our opinion and according to the explanation given to us, the company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.
- v. The company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed there under.
- vi. 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 148 of the Companies Act, 2013, related to the manufacture of Aluminium Electrolytic Capacitors and Silicon 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.
- vii. (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 explanations given to us, the following dues of income tax, duty of excise, duty of customs, sales tax and service tax, have not been deposited by the Company on account of disputes.

Name of the Statute	Nature of Dues	Period to which the amount relates (AY)	Forum where dispute is pending
The Finance Act, 1994 – Service Tax	Service tax	2012-13, 2013-14	Customs, Excise & Service Tax Appellate Tribunal, Regional Bench, Hyderabad.

- viii. 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.
- ix. The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, Clause (ix) is not applicable.
- x. According to the information and explanations given to us, no fraud on or by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, Clause (xii) is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company transactions with the related parties are in compliance with 177 and 186 of the Act where applicable and details of such transactions have been disclosed in the financial statements are required by the applicable accounting standards.
- xiv. According to the information and explanations to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, Clause (xv) is not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

VIJAYAWADA
29th July, 2017

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

ANNEXURE II TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

The annexure referred to in paragraph 2(f) under the heading 'Report on Other Legal & Regulatory Requirement' of our Independent Auditors' Report of even date to the Statutory Auditors of Incap Limited ("the Company") (CIN: L32101AP1990PLC011311), on the Financial Statements for the year ended 31st March 2017, we report that:

1) We have audited the internal financial controls over financial reporting of Incap Limited ("the Company") as of March 31, 2017 in conjunction with our audit of financial Statements of the Circle for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2) The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

3) Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4) Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6) A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7) Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Disclaimer of Opinion :

8) The system of internal financial controls over financial reporting were not made available to us to enable us to determine whether the company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at 31st March, 2017.

9) We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the company, and the disclaimer does not affect our opinion on the financial statements of the company.

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

(CA. G.BABU SRIKAR)

Proprietor
M. No.202335

VIJAYAWADA
29th July, 2017

INCAP LIMITED**BALANCE SHEET AS AT 31st MARCH, 2017**

Particulars	Note No.	31st March, 2017		31st March, 2016	
I. EQUITY AND LIABILITIES					
1. Shareholder's Funds					
(a) Share Capital	2	5,13,32,000		5,13,32,000	
(b) Reserves & Surplus	3	7,41,60,303	12,54,92,303	5,67,67,126	10,80,99,126
2. Share Application Money pending allotment					
3. Non-Current Liabilities					
(a) Long Term Borrowings		-		-	
(b) Deferred Tax Liabilities (Net)	4	32,79,456		25,32,918	
(c) Other Long Term Liabilities	5	6,90,721		15,66,984	
(d) Long-Term Provisions		-	39,70,177	-	40,99,902
4. Current Liabilities					
(a) Short-term Borrowings	6	-		1,27,41,005	
(b) Trade Payables	7	2,44,15,413		2,78,09,531	
(c) Other Current Liabilities	8	2,92,43,716		4,09,75,666	
(d) Short-Term Provisions	9	1,78,98,780	7,15,57,909	1,50,00,651	9,65,26,853
Total Equity & Liabilities			20,10,20,389		20,87,25,881
II. ASSETS					
1. Non Current Assets					
(a) Fixed Assets	10				
(i) Tangible Assets		4,21,79,281		5,39,25,956	
(ii) Intangible Assets		5,83,885		9,80,405	
(iii) Capital Work-in-Progress					
(iv) Intangible Assets under Development					
(b) Non-Current Investments					
(c) Deferred Tax Assets (Net)					
(d) Long term Loans and advances		-		-	
(e) Other Non-Current Assets			4,27,63,166		5,49,06,361
2. Current Assets					
(a) Current Investments					
(b) Inventories	11	3,02,68,548		4,63,34,841	
(c) Trade receivables	12	5,47,33,737		8,49,48,169	
(d) Cash and Cash Equivalents	13	4,34,25,404		24,17,525	
(e) Short-term loans and advances	14	1,48,27,009		74,31,831	
(f) Other Current assets	15	1,50,02,525	15,82,57,223	1,26,87,154	15,38,19,520
Total Assets			20,10,20,389		20,87,25,881
Note to Accounts	1				

For **PUFNACHANDRA RAO & CO.,**Chartered Accountants,
Firm Regn. No.002802S**(CA. G.BABU SRIKAR)**Proprietor
M. No.202335

For and on behalf of the Board

C.BHAGAVANTHA RAO
MANAGING DIRECTOR
(DIN:00218713)VIJAYAWADA
29th July, 2017**C.Neelima**
Director (DIN:02737481)

INCAP LIMITED
PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2017

Sl. No	Particulars	Sch. No.	31 st March, 2017 Rs.	31 st March, 2016 Rs.
I	Revenue from operations	16	28,57,03,969	30,06,34,720
II	Other income	17	38,29,037	35,33,932
III	III. Total Revenue (I+II)		28,95,33,006	30,41,68,652
IV	Expenses :			
	Cost of materials consumed	18	14,04,67,960	14,67,89,920
	Changes in inventories of finished goods, work-in- Progress and Stock-in-Trade	19	1,34,98,234	75,47,604
	Employee Benefit Expenses	20	1,81,81,032	1,61,30,064
	Financial Costs	21	41,44,414	51,58,170
	Depreciation and Amortization Expenses	22	29,74,116	37,78,132
	Other Expenses	23	7,47,51,780	9,96,80,477
	Total Expenses (IV)		25,40,17,536	27,90,84,367
V	Profit before exceptional and extraordinary items and tax (III - IV)		3,55,15,470	2,50,84,285
VI	Exceptional items		-	-
VII	Profit before extraordinary items and tax (V-VI)		3,55,15,470	2,50,84,285
VIII	Extraordinary items		-	-
IX	Profit before tax (VII-VIII)		3,55,15,470	2,50,84,285
X	Tax expense :			
	(1) Tax	24	1,11,97,559	91,41,657
	(2) Deferred tax		7,46,538	5,96,580
XI	Profit (Loss) from the period from continuing operations (IX - X)		2,35,71,373	1,53,46,048
XII	Profit/(Loss) from discontinuing operations		-	-
XIII	Tax expense of discounting operations		-	-
XIV	Profit/(Loss) from Discontinuing operations (XII-XIII)		-	-
XV	Profit /(Loss) for the period (XI+XIV)		2,35,71,373	1,53,46,048
XVI	Earning per equity share :			
	(1) Basic		4.59	2.99
	(2) Diluted		4.59	2.99
	(3) Book Value		24.97	21.36

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

For and on behalf of the Board

C.BHAGAVANTHA RAO
MANAGING DIRECTOR
(DIN:00218713)

(CA. G.BABU SRIKAR)

VIJAYAWADA
29th July, 2017

Proprietor
M. No.202335

C.Neelima
Director (DIN:02737481)

INCAP LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	For the year ending	
	31st March, 2017 Rs.	31st March, 2016 Rs.
<u>A CASH FLOW FROM OPERATING ACTIVITIES:</u>		
Net Profit After Tax and Extraordinary items	2,35,71,372	1,53,46,048
Adjustments :-		
Depreciation	29,74,116	37,78,132
Deferred Tax Liability	7,46,538	5,96,580
Loss on sale of Assets	-	5,06,796
Interest Paid on Loans	41,44,414	51,58,170
Interest Received	(24,57,653)	(35,13,296)
Profit on sale of Assets	9,81,635	-
Operating Profit Before Working Capital Changes	2,99,60,422	2,18,72,430
<u>Adjustments for Working Capital Changes:</u>		
Decrease/(Increase) in Inventories	1,60,66,292	1,48,24,165
Decrease/(Increase) in Trade Receivables	3,02,14,432	4,39,64,100
Decrease/(Increase) in Loans and Advances	(73,95,178)	4,58,64,230
Decrease/(Increase) in Other Current Assets	(23,15,371)	83,04,860
Increase /(Decrease) in Trade payables	(33,94,118)	65,56,812
Increase /(Decrease) in Current Liabilities	(1,99,03,661)	(13,33,82,273)
ADJUSTMENTS IN WORKING CAPITAL	1,32,72,396	(1,38,68,106)
Cash Generated from Operations	4,32,32,819	80,04,324
Income Tax Paid/Provided	(1,11,97,559)	(91,41,657)
Net Cash From Operating Activities {A}	5,44,30,378	1,71,45,981
<u>B CASH FLOW FROM INVESTING ACTIVITIES :</u>		
Purchase of Fixed assets	(38,92,922)	(1,36,39,286)
Sale of Fixed Assets	1,40,43,635	69,62,182

INCAP LIMITED

PARTICULARS	For the year ending	
	31st March, 2017 Rs.	31st March, 2016 Rs.
Interest Received	24,57,653	35,13,296
Net Cash Used In Investing Activities : {B}	1,26,08,366	(31,63,808)
C CASH FLOW FROM FINANCING ACTIVITIES:		
Increase in Share Capital	-	-
Availment of Long Term Borrowings	(10,03,985)	(12,09,455)
Repayment of Long Term Borrowings	-	-
Availment of Short Term Borrowings	(1,27,41,005)	(3,26,18,376)
Proposed Dividend	(61,78,199)	(61,78,199)
Interest paid on Borrowings	(41,44,414)	(51,58,170)
Net Cash Used in Financing Activities {C}	(2,40,67,603)	(4,51,64,200)
D NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	4,29,71,141	(3,11,82,027)
Cash and Cash Equivalents at the beginning of the period	24,17,525	3,35,99,552
Cash and Cash Equivalents at the end of the period	4,34,25,404	24,17,525
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	4,10,07,879	(3,11,82,027)
Cash on hand	88,781	28,339
Balances held with banks	4,33,36,623	23,89,186
Cash and cash equivalents as restated	4,34,25,404	24,17,525

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)

Proprietor
M. No.202335

VIJAYAWADA
29th July, 2017

For and on behalf of the Board

C.BHAGAVANTHA RAO
MANAGING DIRECTOR
DIN : 00218713

C.Neelima
Director (DIN:02737481)

Note – 1 : ACCOUNTING POLICIES AND NOTES ON ACCOUNTS :**A) SIGNIFICAT ACCOUTING 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, 2013 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, 2013.

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 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 include the same in valuation of such stocks. There is no impact on the profit for the year.

9. FOREIGN CURRENCY TRANSACTIONS:

All foreign currency transaction 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 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	2016-2017	2015-2016
Letter of Credit	27.32	-
Bank Guarantees	-	60.00
Total	27.32	60.00

- 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 charges on Fixed Assets of the company in favour of State bank of India, Patamata Branch, Vijayawada on pari passu basis.
- 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. 5.34 Lakhs are pledged with bankers towards margin for Letters of Credit.
- No amount is due to any small-scale industry in excess of Rs.1,00,000 or more than 30 days.
- Provision is made for regular Income tax as per provisions of Income Tax Act, 1961.

Deferred Tax :

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

Description	Opening Balance 01.04.2016	Provided during the Year	Reversed during the year	Closing Balance 31.03.2017
Deferred Tax Liability:				
Depreciation	2532918	746538	-	3279456
Total (a)	2532918	746538	-	3279456
Deferred Tax Asset:	-	-	-	-
Investment	-	-	-	-
Total (b)	-	-	-	-
Net Deferred Tax (a-b)	2532918	746538	-	3279456

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 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. 20.56 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	2016-17	14,00,000
			Interest	2016-17	4,24,808
2.	C.Neelima	Whole-time Director	Remuneration & Perks	2016-17	9,60,000

INCAP LIMITED**NOTES FORMING PART OF ACCOUNTS**

(Amount in Rs.)

Note : 2 Share Capital

Particulars	2016-2017	2015-2016
AUTHORISED CAPITAL		
60,00,000 Equity Shares of Rs. 10/- each	6,00,00,000	6,00,00,000
	6,00,00,000	6,00,00,000
ISSUED CAPITAL		
60,00,000 Equity Shares of Rs. 10/- each	6,00,00,000	6,00,00,000
	6,00,00,000	6,00,00,000
SUBSCRIBED CAPITAL		
56,49,600 Equity Shares of Rs. 10/- each	5,64,96,000	5,64,96,000
	5,64,96,000	5,64,96,000
PAID UP CAPITAL		
51,33,200 Equity Shares of Rs. 10/- each	5,13,32,000	5,13,32,000
Total	5,13,32,000	5,13,32,000

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

Name of the Shareholder	%	Shares	%	Shares
Sri C. Bhagavantha Rao	19.94	1023707	19.94	1023707
Smt. C. Neelima	23.60	1211407	23.60	1211407
Smt. P. Himabindu	12.63	648399	12.63	648399
Sri P. Ram Rao	09.95	510933	09.95	510933
Smt. C.Latitha Kumari	07.17	368045	07.05	361907

Note : 3 Reserve & Surplus

Name of the Shareholder	2016-2017	2015-2016
Capital Reseve	33,82,000	33,82,000
General Reserve	1,54,31,042	1,54,31,042
Share Premium	22,40,000	22,40,000
Surplus (Profit & Loss Account)		
Balance brought forward from previous year	3,57,14,088	2,65,46,235
Add: Profit for the period	2,35,71,372	1,53,46,048
	5,92,85,460	4,18,92,283
Less : Proposed Dividend	51,33,200	51,33,200
Tax on Dividend	10,44,999	10,44,999
Carry forward to next year	5,31,07,261	3,57,14,084
Total	7,41,60,303	5,67,67,126

Note : 4 Deferred Tax Liabilities (Net)

Particulars	2016-2017	2015-2016
Deferred Tax Liability -	32,79,456	25,32,918
Total	32,79,456	25,32,918

Note : 5 Other Long Liabilities

(Amount in Rs.)

Particulars	2016-2017	2015-2016
Vehicle Loan from State Bank of India	6,90,721	15,66,984
Total	6,90,721	15,66,984

Note : 6 Short Term Borrowings

Particulars	2016-2017	2015-2016
<u>Loan Repayable on Demand</u>		
- State Bank of India	-	1,27,41,005
Total	-	1,27,41,005

For Working Capital facilities loans taken from State Bank of India under Asset Backed Loan(ABL) scheme. Cash credit facilities from SBI and SBH converted in to ABL scheme due to benefit of lower interest rates.

Note : 7 Trades Payable

Particulars	2016-2017	2015-2016
Trade paybles	2,44,15,413	2,78,09,531
Total	2,44,15,413	2,78,09,531

Note : 8 Other Current Liabilities

Particulars	2016-2017	2015-2016
Current Maturities of Long Term Liabilities	8,58,488	9,86,210
Creditors for Expenses	2,74,66,046	3,91,63,800
Unpaid Dividends	9,19,182	8,25,656
Total	2,92,43,716	4,09,75,666

Note : 9 Short Term Provisions

Particulars	2016-2017	2015-2016
<u>Provision for Employees Benefit :</u>		
Bonus payable	5,23,022	5,11,918
Provision for Taxation	1,11,97,559	83,10,534
Provision for Dividend	51,33,200	51,33,200
Provision for Tax on Dividend	10,44,999	10,44,999
Total	1,78,98,780	1,50,00,651

Note : 10 Fixed Asset

(Amount in Rs.)

S.No.	Particulars	Gross Block				Accumulated Depreciation				Net Block	
		Opening	Addition	Deduction	Closing	Opening	Addition	Deduction	Closing	WDV as on 31-03-2017	WDV as on 31-03-2016
(a)	Triangible Assets										
1.	Land	1,69,85,300	-	1,30,62,000	39,23,300	-	-	-	-	39,23,300	1,69,85,300
2.	Road and Culverts	13,97,283	-	-	13,97,283	6,95,220	70,716	-	7,65,936	6,31,347	7,02,063
3.	Building	2,31,73,753	-	-	2,31,73,753	88,22,711	2,65,591	-	90,88,302	1,40,85,451	1,43,51,042
4.	Plant and Equipment	9,96,48,481	25,48,937	74,79,379	9,47,18,039	9,33,62,394	2,52,352	74,79,379	8,61,35,367	85,82,672	62,86,087
5.	Electrical Installation	76,90,458	-	-	76,90,458	45,40,881	3,08,553	-	48,49,434	28,41,024	31,49,577
6.	Lab Equipment	22,49,097	-	-	22,49,097	13,17,527	1,03,721	-	14,21,247	8,27,849	9,31,570
7.	Office Equipment	20,78,836	1,35,750	-	22,14,586	11,60,263	87,247	-	12,47,510	9,67,076	9,18,573
8.	Furnitures & Fixtures	50,59,265	6,86,235	-	57,45,500	14,01,354	3,73,710	-	17,75,064	39,70,436	36,57,911
9.	Vehicles	89,85,190	5,22,000	3,39,685	91,67,505	23,81,223	9,07,952	3,39,685	29,49,491	62,18,015	66,03,967
10.	Data Processing Equipment	31,40,295	-	-	31,40,295	28,00,429	2,07,755	-	30,08,184	1,32,111	3,39,866
	Sub Total (A-)	17,04,07,958	38,92,922	2,08,81,064	15,34,19,816	11,64,82,002	25,77,597	78,19,064	11,12,40,535	4,21,79,281	5,39,25,956
II	Intangible Assets										
	Goodwill	99,95,830	-	-	99,95,830	99,95,830	-	-	99,95,830	-	-
	Computer Software	20,00,000	-	-	20,00,000	10,19,595	3,96,520	-	14,16,115	5,83,885	9,80,405
	Sub Total (B-)	1,19,95,830	-	-	1,19,95,830	1,10,15,425	3,96,520	-	1,14,11,945	5,83,885	9,80,405
	Total (A+B) (Current Year)	18,24,03,788	38,92,922	2,08,81,064	16,54,15,646	12,74,97,427	29,74,117	78,19,064	12,26,52,480	4,27,63,166	5,49,06,361
	(Previous Year)	18,49,31,454	1,36,39,286	1,61,66,952	18,24,03,788	13,24,17,272	37,78,132	86,97,977	12,74,97,427	5,49,05,361	5,25,14,182

Note : 11 Inventories

Particulars	2016-2017	2015-2016
Raw Material	83,98,538	1,08,93,822
Work-in-Progress	30,76,358	1,18,41,314
Finished Goods	1,85,08,422	2,31,96,030
Stock - in- Trade	84,112	1,29,782
Spares	98,472	1,85,602
Stores	1,02,646	88,291
Total	3,02,68,548	4,63,34,841

Note : 12 Trade Receivables

Particulars	2016-2017	2015-2016
<i>Outstanding for more than six months</i>		
<i>a) Secured, Considered Good :</i>	15,33,530	12,76,325
<i>b) Unsecured, Considered Good :</i>	-	-
c) Doubtful others	-	-
<i>a) Secured, Considered Good :</i>	-	-
<i>b) Unsecured, Considered Good :</i>	5,32,00,207	8,36,71,844
c) Doubtful	-	-
Total	5,47,33,737	8,49,48,169

Note : 13 Cash & Cash Equivalent

Particulars	2016-2017	2015-2016
Cash-in-Hand		
Cash Balance	88,781	28,339
Sub Total (A)	88,781	28,339
Bank Balance		
Balances with Scheduled banks	56,02,378	12,54,941
Sub Total (B)	56,02,378	12,54,941
Term Deposit at Scheduled Banks		
Term Deposit at Scheduled Banks	3,72,00,000	-
Sub Total (C)	3,72,00,000	-
Margin Money Deposit		
Margin Money Deposit	5,34,245	11,34,245
Sub Total (D)	5,34,245	11,34,245
Total (A+B+C+D)	4,34,25,404	24,17,525

Note : 14 Short Terms Loans and Advances

(Amount in Rs.)

Particulars	2016-2017	2015-2016
Loans & Advances		
a) Secured, Considered Good :		
others	-	-
b) Unsecured, Considered Good :		
other	73,29,206	47,16,211
c) Doubtful		
<i>Advance Recoverable in cash in kind for value to be considered good</i>		
Advance to suppliers	74,97,803	27,15,620
Total	1,48,27,009	74,31,831

Note : 15 Other Current Assets

Particulars	2016-2017	2015-2016
Advance Income Tax/Refund Due	1,15,54,129	75,25,670
Balance With Revenue Authorities	2,96,907	31,02,599
Prepaid Expenses	6,20,136	6,96,058
Interest accrued but not due	1,55,843	99,729
Deposits	9,40,900	8,84,900
others	14,34,610	3,78,198
Total	1,50,02,525	1,26,87,154

Note : 16 Revenue from Operations

Particulars	2016-2017	2015-2016
Sale of Products	16,95,63,044	17,60,58,926
Excise Duty & Cess Collections	2,12,55,496	2,24,59,384
	19,08,18,540	19,85,18,310
Traded Goods	36,720	5,20,196
Other Operating Income	9,48,48,709	10,15,96,214
Total	28,57,03,969	30,06,34,720

Note : 17 Other Income

Particulars	2016-2017	2015-2016
Interest Income	24,57,653	35,13,296
Other Receipts	18,188	20,636
Profit on Sale of Assets	9,81,635	-
Scrap Sales	3,71,561	-
Total	38,29,037	35,33,932

Note : 18 Cost of Material Consumed

Particulars	2016-2017	2015-2016
Opening Stock	1,08,93,822	1,78,46,760
Add : purchases	13,79,72,677	13,98,36,982
	14,88,66,499	15,76,83,742
Less : Closing Stock	83,98,539	1,08,93,822
Raw Material Consumed	14,04,67,960	14,67,89,920

Note : 19 Change in Inventories

Particulars	2016-2017	2015-2016
Opening Stock		
Stock -in-Trade	1,29,782	6,96,122
Finished Goods	2,31,96,030	2,33,98,307
Work-in-Progress	1,18,41,314	1,86,20,301
	3,51,67,126	4,27,14,730
Closing Stock		
Stock -in-Trade	84,112	1,29,782
Finished Goods	1,85,08,422	2,31,96,030
Work -in-progress	30,76,358	1,18,41,314
	2,16,68,892	3,51,67,126
Total	1,34,98,234	75,47,604

Note : 20 Employment Benefit Expenses

Particulars	2016-2017	2015-2016
Salaries	1,16,67,221	1,07,31,178
Bonus, PF & ESIC	19,25,680	17,87,072
Exgratia	11,95,042	10,36,479
Directors Remuneration	27,79,706	23,65,710
Workmen & Staff Welfare Expenses	6,13,383	2,09,625
Total	1,81,81,032	1,61,30,064

Note : 21 Financial Cost

Particulars	2016-2017	2015-2016
Interest Expenses	41,44,414	51,58,170
Total	41,44,414	51,58,170

Note : 22 Depreciation & Amortised Cost

Particulars	2016-2017	2015-2016
Depreciation	29,74,116	37,78,132
Total	29,74,116	37,78,132

Note : 23 Other Administrative Expenses

Particulars	2016-2017	2015-2016
Bank Charges	2,69,034	18,94,266
Insurance	7,75,766	10,07,375
Power and Fuel	27,68,556	30,08,913
Repairs and Maintenance	12,94,945	21,98,369
Freight Inward	1,73,605	2,16,913
Taxes & Licences	44,34,111	43,29,545
Rent	9,62,500	9,04,940
Telephone and Telex Charges	4,82,075	5,55,241
Auditors Fees	34,155	34,007
Directors Sitting Fees	6,000	10,000
Directors Travelling Expenses	1,28,329	4,01,051
Travelling Expenses	82,51,119	56,14,106
Donations	35,000	4,80,520
Vehicle Maintenance	14,43,537	12,62,587
Stores and Spares Consumed	5,75,837	4,82,884
Advertisement Charges	1,13,410	1,10,792
Business Promotion Expenses	7,70,313	9,05,501
Commission on Sales	7,09,483	7,80,957
Consumption of packing material	13,01,782	13,29,279
Freight Outward	21,42,862	18,98,558
Other Selling Expenses	6,52,278	21,568
Contract Work Expenses	4,36,10,811	6,49,73,935
Other Expenses	38,16,272	72,59,170
Total	7,47,51,780	9,96,80,477

Note : 24 Current Tax

Particulars	2016-2017	2015-2016
Current Tax	1,11,97,559	83,10,534
Add. Excess/Short Provision of earlier years	-	8,31,123
Less: Mat Credit Entitlement	-	-
Total	1,11,97,559	91,41,657

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members
INCAP LIMITED
Reg. Office:
1-58, Nidamanuru, Vijayawada
Krishna, Andhra Pradesh – 521104.
CIN: L32101AP1990PLC011311

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. **INCAP LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the **audit period commencing from 01st April, 2016 and ending on 31st March, 2017**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained for the period ended on **31st March, 2017** according to the provisions of:

- (i) The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the Company :-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - **Not applicable as the Company has not issued any new Securities during the period under review.**

- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - **Not applicable as the Company has not issued any new Securities to its Employees during the period under review.**
- e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – **Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the Period under review.**
- f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable as the Company has not delisted/propose to delist its equity shares from stock exchange during the period under review.**
- g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not applicable as the Company has not bought back/propose to buyback any of its securities during the period under review.**
- h) The Company has identified the following laws as specifically applicable to the Company:
 - 1. The Hazardous wastes(Management and Handling) Rules 1969
 - 2. The Factories Act, 1956
 - 3. The Legal Metrology Act, 2009

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICS) - ICSI.
- (ii) The Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 etc. mentioned above subject to the following observations:

- 1. The Company has not appointed Company Secretary as per the Provisions of Section 203 of the Companies Act, 2013. However, the company has availed the services of practicing company secretaries wherever applicable and complied with the provisions of the companies act and its rules, regulations to ensure that the filings with MCA and other statutory authorities are up to date.
- 2. The Company has an Audit Committee, however the composition of the committee consists of promoter directors only. The company submitted that the company's registered office and works being carried out from a rural area, it is finding it difficult to appoint independent directors who are generally located in large cities and is trying to appoint the independent directors at the earliest.
- 3. The Company has Remuneration Committee, the composition of which consists of promoter directors only due to absence of independent directors on Board. However there is no case where the remuneration has to be fixed by the remuneration committee during the financial year.
- 4. The Company has constituted Vigil Mechanism and such other committees as per the Provisions of the Companies Act, 2013 subject to limitations stated above.

I further report that:

1. The Board of Directors of the Company is constituted with Executive Directors and Non-Executive Directors.
2. According to Sub Regulation (2) of Regulation 15 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the compliance with the corporate governance provisions as specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V shall not apply to the Companies with Companies having paid up equity share capital not exceeding Rs.10 Crore and Net Worth not exceeding Rs.25 Crore, as on the last day of the previous financial year.
3. There are no changes in the composition of the Board of Directors during the period under review.
4. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
5. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that:

- a. There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- b. As informed, the Company has responded to Notices for demands, claims, penalties etc. levied by the statutory/regulatory authorities and initiated actions for corrective measures, wherever necessary.

I further report that

during the audit period, there are no specific events/actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc, referred to above.

For **AN SARMA & CO.**,
Practicing Company Secretaries,

VIJAYAWADA
29th July, 2017

(A.N. SARMA)
Partner
C.P. No.7812

ANNEXURE

To
The Members of
M/s.Incap Limited
Vijayawada

- 1 . Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on random test basis
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

For **AN Sarma & Co.**,
Practicing Company Secretaries

AN Sarma
(Partner)
C. P. No.: 7812

VIJAYAWADA
29th July, 2017

CORPORATE GOVERNANCE REPORT**COMPANY’S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:**

Corporate Governance refers to the combination of voluntary practices and compliance’s with law and regulators leading to effective control and management of the organization. The fundamental objective of INCAP’s Corporate Governance is “enhancement of the long-term shareholder value at the same time protecting the interests of other shareholder”. Corporate Governance brings into focus the fiduciary and trusteeship role of the Board to align and direct the action of the organization towards creating a wealth and shareholder value.

1. BOARD OF DIRECTORS :**i) Composition:**

The present strength of the Board Directors is 4 and is responsible for the Management of the Company’s business. The functions, responsibility, role and accountability of the Board are well defined. The Board in addition to monitoring corporate performance also carries out functions such as approving the business plan, reviewing and approving the annual budgets and borrowing limits and ensures that your company keeps shareholders informed about plans, strategies and performance. The detail report of the company’s performance is periodically, placed before the Board. The Board consists of 2 Executive Directors and 2 Non-Executive Directors whose details are as follows:

a. Promoter / Executive Directors:

Sri C.Bhagavantha Rao	Managing Director
Smt C.Neelima	Whole-time Director

b. Promoter / Non-Executive Directors:

Sri P.Ram Rao	Director
Smt. P.Himabindu	Director

ii) Board Meetings and Attendance at Board Meetings :

a) During 2016-2017, the Board of Directors met 4 times on the following dates:

The relevant details are as under:

S.No.	Date	Board Strength	No. of Directors Present
1	25 th May, 2016	4	3
2	30 th July, 2016	4	3
3	29 th October, 2016	4	3
4	31 st January, 2017	4	4

The company places before the Board all those details as required under to the listing regulation. The dates for the board meetings are fixed after taking into account the convenience of all the directors and sufficient notice is given to them. The company has video conferencing facilities to enable director's participation at board meetings. Detailed agenda notes are sent to the directors. All the information required for decision making are incorporated in the agenda. Those that cannot be included in the agenda are tabled at the meeting. The chairman and the managing director appraise the Board on the overall performance of the company at every board meeting. Legal issues, write-offs, provisions, purchase and disposal of capital assets are all brought to the notice of the Board. The Board reviews performance, approves capital expenditures, sets the strategy the company should follow and ensures financial stability. The Board takes on record the actions taken by the company on all its decisions periodically.

The Board also takes on record the declaration made by the company secretary, chairman and managing director and the chief financial officer regarding compliances of all laws on a quarterly basis.

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

2. AUDIT COMMITTEE:

2.1 Brief description of terms and reference :

Name of the Director	Category	Attendance Particulars	
		Board Meeting	Last AGM
Sri C.Bhagavantha Rao	Non-Independent Executive	4	Yes
Sri P.Ram Rao	Non-Independent	1	Yes
	Non-Executive		
Smt. C.Neelim	Non-Independent Executive	4	Yes
Smt. P.Himabindu	Non-Independent	4	Yes
	Non-Executive		

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.
- g) The audit committee comprised of the following directors for the year ended 31st March 2017:
The company undertakes to appoint the independent directors before the closure of the current financial year.

Name of the Director	Category
Sri C.Bhagavantha Rao	Non-Independent Executive
Sri P.Ram Rao	Non-Independent Non-Executive
Smt. C.Neelima	Non-Independent Executive

Meeting during the year:

During the financial year 2016-2017, the Audit Committee met 4 times on following dates with full strength:

1. 25th May, 2016
2. 30th July, 2016
3. 29th October, 2016
4. 31st January, 2017

3. NOMINATION AND REMUNERATION COMMITTEE

(I) Brief description of terms of reference is for:

- (a) appointment of the directors, and key managerial personnel of the Company; and
- (b) fixation of the remuneration of the directors, key managerial personnel and other employees of the Company.

(II) **Composition of committee and attendance of members**

This committee recommends the appointment/reappointment of executive directors and the appointments of employees from the level of vice-president and above along with the remuneration

S.No.	Name of the Director and Position	Meeting / Attendance			
		25.05.2016	30.07.2016	29.10.2016	31.01.2017
1.	Sri C.Bhagavantha Rao, Chairman	Y	Y	Y	Y
2.	Smt. C.Neelima, Member	Y	Y	Y	Y
3.	Sri P.Ram Rao, Member	N	N	N	Y
4.	Smt. P.Himabindu, Member	Y	Y	Y	Y

to be paid to them. The remuneration is fixed keeping in mind the persons track record, his/her potential individual performance, the market trends and scales prevailing in the similar industry. The Remuneration Committee comprises of non-executive and independent directors. Mr. C.Bhagavantha Rao, is the chairman of the committee. Mrs.C.Neelima and Mr. P.Ram Rao and Mrs.P.Himabindu are the other members. The Mrs.P.Himabindu is the secretary to the committee. During the financial year 2016-2017 the committee met on 31.01.2017.

4. 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 certificates, balance sheets, dividends etc.

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

Mr.C.Bhagavantha Rao, is the chairman of the committee. Mrs.C.Neelima and Mr. P.Ram Rao are the other members.

The committee decided that a share transfer committee be constituted with Mrs.C.Neelima, Whole time Director and Mr.C.Bhagavantha Rao, Managing Director as members to approve share transfer, transmissions, issue of duplicate share certificates, rematerialisation of shares etc. The actions of share transfer committee will be ratified in Stakeholders' Relationship Committee at its subsequent meeting.

5. MEETING OF INDEPENDENT DIRECTORS:

No meeting of Independent Directors held during year. Since, Independent Director/s was not appointed. The company undertakes to appoint the independent directors before the closure of the current financial year.

6. 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, 2017 are given below:

7. ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETING:

Name of the Director	Remuneration				
	Sitting Fee	Salary	Perquisites	Commission	Total Rs.
Executive Director					
Sri.C.Bhagavantha Rao	Nil	977400	422600	Nil	1400000
Smt. C.Neelima	Nil	576000	384000	Nil	960000
Non-Executive Directors:					
Sri P.Ram Rao	2000	Nil	Nil	Nil	2000
Smt. P.Himabindu	4000	Nil	Nil	Nil	4000

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

Financial Year	:	2013-2014
Venue	:	Registered Office, 1-58, Nidamanuru, Vijayawada – 521104.
Date	:	27-09-2014
Time	:	12.00 Noon
Financial Year	:	2014-2015
Venue	:	Registered Office, 1-58, Nidamanuru, Vijayawada – 521104.
Date	:	26-09-2015
Time	:	12.00 Noon
Financial Year	:	2015-2016
Venue	:	Registered Office, 1-58, Nidamanuru, Vijayawada – 521104.
Date	:	24-09-2016
Time	:	12.00 Noon

8. SUBSIDIARY COMPANIES

The company does not have any Subsidiary Company.

9. A) RISK MANAGEMENT

Periodic assessments to identify the risk areas are carried out and management is briefed on the risks in advance to enable the company to control risk through a properly defined plan. The risks are classified as financial risks, operational risks and market risks. The risks are taken into account while preparing the annual business plan for the year. The Board is also periodically informed of the business risks and the actions taken to manage them. The Company has formulated a policy for Risk management with the following objectives:

- Provide an overview of the principles of risk management
- Explain approach adopted by the Company for risk management
- Define the organizational structure for effective risk management
- Develop a “risk” culture that encourages all employees to identify risks and associated opportunities and to respond to them with effective actions.
- Identify, assess and manage existing and new risks in a planned and coordinated manner with minimum disruption and cost, to protect and preserve Company’s human, physical and financial assets.

B) RISK MANAGEMENT COMMITTEE:

The company has constituted a Risk Management company with the following directors:

- A. Mr. C.Bhagavantha Rao
- B. Mrs.C.Neelima
- C. Mr. P.Ram Rao and
- D. Mrs. P.Himabindu

10. WHISTLE BLOWER POLICY

The company has an established mechanism for Directors / Employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of directors/ employees who avail of the mechanism. The company affirms that no personnel has been denied access to the audit committee. The Company has formulated a Policy of Vigil Mechanism and has established a mechanism that any personnel may raise Reportable Matters within 60 days after becoming aware of the same. All suspected violations and Reportable Matters are reported to the Chairman of the Audit Committee. The key directions/actions will be informed to the Managing Director of the Company.

11. DISCLOSURES:**RELATED PARTY TRANSACTION:**

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 exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

12. ACCOUNTING TREATMENT:

Disclosure required in case of difference in the treatment from that of annual accounts, the applicable accounting standards have been followed and that there are no material departures.

13. COMPLIANCES:

There have been no instances of non-compliance by the company on any matters related to the capital markets, nor have any penalty/strictures been imposed on the company by the Stock Exchanges or SEBI or any other statutory authority on such matters.

14. 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 Lines (English)
2. Andhra Bhoomi (Regional Language)

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

15. CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND THE SENIOR MANAGEMENT**I. Preface:**

Over the years, the Company has been conducting its business with very high ethical and moral standards. This has resulted in gaining reputation as a professionally managed company by all its members. As the Company grows and expands its wings globally, it is extremely important to continue to exhibit high levels of ethical standards and professional behavior in everything that the Company does.

This Model Code of Conduct for Directors & Senior Management personnel is a guide to help Senior Management team & Directors on the Board of Incap. Though it summarizes many of the laws that Incap, as a Company is required to follow, it also goes beyond the legal minimums by describing the ethical values we share at Incap.

The rules and principles set forth in this Code are general in nature and the compliance with the Code shall be ensured read with other applicable policies and procedures of the Company. The Directors and Senior Management personnel may contact the Compliance Officer for assistance in interpreting the requirement of this Code.

The Board of Directors of the Company adopted this Code of Conduct and Ethics as a testimony of its commitment to adhere to the standards of loyalty, honesty, integrity and the avoidance of conflicts of interest. This code is a capsule of the moral, legal and professional obligations of the Directors and all executives. The Specific provisions of law or rules or regulations or contract shall prevail over the general obligations.

This model code of conduct shall be reviewed by the Board from time to time so as to keep in pace with the regulatory environment and any amendments to this Code, shall be approved by the Board of Director.

II . Applicability:

The Directors both executive and non executive, are obliged to carry out their duties in an honest, fair, diligent and ethical manner, within the scope of the authority conferred upon them and in accordance with the laws, rules, regulations, agreements, guidelines, standards and internal policies and procedures. The Board of Directors of the Company is entrusted with the fiduciary responsibility of oversight of the affairs of the Company. As Directors of the Company, they have a duty to make decisions and implement policies in the best interest of the Company and its members.

The Code of Conduct is applicable to:

The Directors, both executive and non-executive Directors.Senior Management team comprising members of Management one level below the Executive Directors, including all functional heads.

III. Honest & Ethical Conduct:

The Directors & Senior Management personnel are required to act in accordance with the highest standards of personal and professional integrity, honestly, ethical and legal conduct, when acting on behalf of the Company or in connection with the Company's business or operations and at social events.

An honest conduct is considered as such when a conduct is free from fraud or deception. We consider ethical conduct to be conduct conforming to the accepted professional standards of conduct and include ethical handling of actual or apparent conflicts of interest between personal and professional relationships.

The Directors and the Senior Management personnel shall Act honestly, fairly, ethically, with integrity and loyalty and conduct themselves in a professional, courteous and respectful manner;

Act in the best interest of the Company and in a manner to enhance and maintain the reputation of the Company, and fulfill their fiduciary duties to the members of the Company;

Act in good faith, with responsibility, due care, competence, diligence and independence;

Treat their colleagues and other associates of the Company with dignity and shall not harass any of them in any manner.

IV. Code of Interest:**General Guidance**

The Directors and Senior Management personnel are expected to avoid and disclose any activity or association that creates or appears to create a conflict between the personal interests and the Company's business interests. A Conflict of interest exists where the interests or benefits of one person or entity conflict with the interest or benefits of the Company. Relationships with prospective or existing suppliers, contractors, customers, competitors or regulators must not affect the independent and sound judgment on behalf of the Company. General guidelines to better understand several of the most common examples of situations that may cause a conflict of interest are listed below. Directors & the senior management personnel are required to disclose to the Board any situation that may be, or appear to be, a conflict of interest. When in doubt, Disclose.

a. Outside Employment:

Executive Directors and Senior Management personnel shall not work for or receive payments for services from any competitor, customer, distributor or supplier of Incap without approval of the Board. Any outside activity must be strictly separated from Incap employment and should not harm job performance at Incap. The Executive Directors and the Senior Management personnel shall devote themselves exclusively to the business of the Company and shall not accept any other work or assignment (part time or otherwise).

b. Board Memberships:

Serving on the Board of Directors or a similar body of any other company or organization other than this company or government agency requires the advance approval of the Board of Directors. Acceptance of Directorship on the Boards of other Companies, which compete, with the Company amounts to conflict of interest and hence should not be accepted. Helping the community by serving on Boards of nonprofit or welfare organizations is encouraged, and does not require prior approval.

c. Family Members and Close Personal Relationships:

Directors and Senior Management personnel shall not use personal influence to make the Company do business with a company/ institution which do not belong to the same group in which his or her relatives are interested. As a general rule, Directors and Senior Management personnel shall avoid conducting Company's business with a relative or with an entity in which a relative is associated in any significant role. In case of conflicts, be it a Director or Senior Management cadre, disclosure shall be made to the Board of Directors and a prior approval shall be obtained.

d. Gifts (Gifts are not always physical objects they might also be services, favors or other items of value)

The Directors and Senior Management personnel shall not accept lavish gifts or gratuities or any offer, payment, promise to pay, or authorization to pay any money, or anything of value that could be interpreted to adversely affect business decisions or likely to compromise their personal or professional integrity. Gift items of nominal value, such as small promotional items bearing another company's name, business meals, gifts received because of personal relationships and not because of official position, mementos received because of attending a widely held gatherings

as panelist/ speaker and other customary gifts are allowed. Gifts on behalf of the Company – Some business situations call for giving gifts. These gifts shall be legal and reasonable. Directors and Senior Management personnel shall not pay bribes. It is understood that gift-giving practices vary among cultures and countries. Directors and Senior Management personnel shall not provide any gift if law or the policy of the recipient's organization prohibits it. For example, the associates of many government entities around the world are prohibited from accepting gifts.

e. Investments:

Directors and Senior Management personnel may not allow their investments to influence, or appear to influence, their independent judgment on behalf of the Company. This could happen in many ways, but it is most likely to create the appearance of a conflict of interest if a Director or Senior Manager has a significant investment in a competitor, supplier, customer, or distributor and his decisions may have a business impact on this outside party. The Directors and Senior Management personnel shall seek prior consent of the Board before making any investments more than 5% of the paid up capital of the other entity.

f. Diversion of Business:

Directors and Senior Management personnel shall not divert business opportunities of the Company, by exploiting for their own personal gain, business opportunities that are discovered through the use of corporate propriety information or position. However the Directors and Senior Management personnel can pursue such business opportunities once they are fully disclosed to the company and the company declined to pursue such opportunities.

g. Use of Company's Assets:

The Assets of the Company shall be used for legitimate business purposes and shall not be used for personal purposes. Incidental personal use, if reasonable, does not amount to violation of the code.

h. Others:

It would be impracticable to attempt to list all possible conflict of interest's situations and it is possible that other such situations, which are not enumerated above, may arise

16. DECLARATION BY CHAIRMAN AND MANAGING DIRECTOR ON CODE OF CONDUCT UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (LISTING REGULATIONS).

To

The Members

I, hereby declare that to the best of my knowledge and information, all the Board Members and Senior Management Personnel have affirmed compliance with the code of conduct for the year ended March 31, 2017.

For and on behalf of the Board

VIJAYAWADA

29th July, 2017

C.BHAGAVANTHA RAO
MANAGING DIRECTOR

DIN : 00218713

CEO / CFO CERTIFICATION

To
The Board of Directors
Incap Limited

I had reviewed the financial statements, read with the cash flow statement of Incap Limited for the year ended 31st March, 2017 and that to the best of our knowledge and belief, we state that:

- a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- b) 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.
- c) There are, to the best of their knowledge and belief, no transaction entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- d) 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.
- e) They have indicated to the auditors and the audit committee:-
 - i. 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
 - ii. 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 and on behalf of the Board

C.BHAGAVANTHA RAO
MANAGING DIRECTOR
DIN : 00218713

VIJAYAWADA
29th July, 2017

ANNEXURE – E**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, 2017 as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 (Listing Regulations) 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 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
29th July, 2017

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

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis presented in this Annual Report focuses on the theme of 'Faster, Higher and Stronger' which was the Company-wide initiative to continue on the path of profitable growth. The company has got the profit before tax Rs. 3.55 Crores during the year. The organization structure, various strategies followed and processes implemented, along with excellent team-work, a strong management and leadership has enabled the Company to move forward on the path of profitable growth.

Overall Business Review

Incap Limited is a 25-year-old focused Company, with interests in the Manufacturing and Production of Capacitors and Insulators. The costs of inputs in key raw materials continued to escalate, thereby affecting the material costs adversely. The industry witnessed intense competition for market share and significant pressures on margins and profits. The Company continued its focus on enhancing revenue growth. Various actions in terms of cost reduction, value engineering, competitive sourcing and improving credit discipline have been undertaken. There has been a significant progress in the Industry.

Industry structure and developments:

In India the demand for Electrolytic Capacitor is around 4 to 5 billion capacitors (approx) in all segments. The total production in India for this component is negligible, since the market is either in the hands of Chinese or Japanese due to mass scale and quality product of Japanese. The output in the Indian Industry would be hardly 150 m pcs per annum.

The cost factor is also a major constraint in determining the sale since we are banking for all raw materials sources either from China or Japan and our raw materials are totally imported since there is hardly any supplier big enough to support even a small rubber bung in India. Backward Integration is negligible.

There is a hope that the Indian Industry has an upper hand to manufacture and support the local Industry and that too in segments like LED since this is going to have a market for the next, one decade is the analyst view further the cost of all things in China and Japan is likely to be high even the Labor. So India could be their next destination.

Anyhow progress and growth would be not less than 10% since there is umpteen area of vacuum by which we can improve our sale.

The competition like any other Industry we will face tough times on pricing from the Chinese but everything can be overcome with quality and faster delivery. Presently anyhow Chinese and Japanese have the maximum share in the Electrolytic Capacitor market.

Opportunities and threats:

We have been focusing on the Business to Business oriented businesses. After having established ourselves amongst the top few companies in the entire market Endeavour to establish ourselves with more growth and performance.

Due to the strong linkage of the manufacturing industry to the economy, such an event would adversely impact growth in the short term for the Company.

Competition: Competition whether domestic is always a challenge and transforming challenges into opportunities has been a practice at Incap.

Cost of Raw material: Aluminum Foil, Aluminum Cans, Lead Tabs, Electrolyte being a major raw material to our business, its cost may affect our contribution margins. Company had adopted various measures to minimize the effect of escalating prices of raw material.

The new initiatives will bring new challenges in near future. We believe that we have sufficient management bandwidth to pass through these cycles with past experiences.

Outlook:

Domestic economic indicators are expected to improve, led by positive prospects in Government Spending and several government schemes. Indian economic activity is expected to improve modestly, driven by global economic revival and moderation in inflation. Upside pressures on inflation and consumption, hinge on the vagaries of the monsoon and the pace of revival of the investment climate will determine to a very large extent India's economic performance, going forward.

Manufacturing and Government spending are expected to grow, its' an opportunity for the Industry, in general and for your Company, in particular.

Risks and areas of concern:

Taking risk is an inherent part of entrepreneurial behavior. A structured risk management process encourages management to take risks in controlled manner. In order to provide a comprehensive view of business activities, risks are identified in a structured way combining elements of a top-down and bottom-up approach. Risks are reported on a regular basis as part of the "Business Performance Management" process. All relevant risks and opportunities are prioritized in terms of impact and likelihood, considering quantitative and/ or qualitative aspects. The bottom-up identification and prioritization process is supported by conducting workshops with the respective management at Factory and Corporate function level. This top-down approach ensure that potential risks and opportunities are discussed on management level and are included in the subsequent reporting process, if found to be applicable.

Company has a structured risk management process to address different risk categories:

Strategic, Operational, Compliance and Financial risks

Strategic Risks: As Company's business is completely domestic; its business environment is influenced by economic conditions. Factors like fluctuation of energy & raw material price, intellectual property rights, product awareness & brand recognition etc. are part of its strategic risk management. Product creation process and/ or increased speed in innovation to market is important for profitable and growth ambitions.

Operational Risks: Ensuring timely delivery of new solutions and products at lower cost and upgrading of customer service levels to create sustainable competitive advantage and effective supply chain management is very much required amongst other things, to enhance time to market & product quality.

Compliance Risks: Company's presence exposes the Company to regional and local regulatory laws, rules and regulations, which may interfere with the realization of business opportunities operates. Strengthening internal control, corporate governance & IT systems play vital role in mitigation of compliance risks.

Financial Risks: Corporate control, together with respective functional management, performs an assessment of Financial Reporting risk at appropriate interval or at least annually. Risk Mitigation to mitigate the aforesaid risks have been identified and addressed under the supervision of a team of Senior management.

The Company is in process of reviewing existing policies & procedures and developing/ documentation of Standard Operating Procedures (SOP) for all requisite processes. This will facilitate better control, uniformity & efficiency across various processes of the organization.

Internal control systems and their adequacy:

The Company believes that good corporate governance is the adoption of best business practices which ensure that the Company operates not only within the regulatory framework but is also guided by ethics and a strong belief in the tradition of trust.

The following committees are in place to ensure effective corporate governance:

- i. Board of Directors
- ii. Audit Committee
- iii. Remuneration Committee
- iv. Shareholders Grievance Committee

Material developments in Human Resources/ Industrial Relations front, including number of people employed.

The Company believes that its human resource has played the most important role in enabling the Company to embark upon a more prosperous future. The Company has invested on its human resource by providing appropriate training and developmental inputs along with career progress opportunities to deserving employees.

The Company's focus on having good people related processes in terms of recruitment, training, performance appraisal and performance rewards have been well received by all the employees.

Cautionary Statement:

Statements in the Management Discussion and Analysis, describing the Company's strategies on business, projections and estimates, are forward-looking statements. The actual results may vary from those expressed or implied, depending upon economic conditions, Government policies, regulations, tax laws and other incidental factors.

Form No. MGT-11 -- Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s) :
 Registered address :
 E-mail Id :
 Folio No/ Client Id : DP ID :

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name: E-mail Id:
 Address: Signature:....., or failing him

2. Name: E-mail Id:
 Address: Signature:....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual general meeting of the company, to be held on the Saturday, 23rd day of September, 2017 At 12.00 Noon at Incap Limited, 1-58, Nidamanuru, Vijayawada and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description	For*	Against*
1.	Adopt the Audited Accounts	<input type="checkbox"/>	<input type="checkbox"/>
2.	Re-Appointment of Director Smt P. Himabindu	<input type="checkbox"/>	<input type="checkbox"/>
3.	Dividednd for the year 2016-2017	<input type="checkbox"/>	<input type="checkbox"/>
4.	Ratify the appointment of Auditors	<input type="checkbox"/>	<input type="checkbox"/>
5.	Re-Appointment of Managing Director Sri C.Bhagavantha Rao	<input type="checkbox"/>	<input type="checkbox"/>
6.	Re-Appointment of Whole time Director Smt C.Neelima	<input type="checkbox"/>	<input type="checkbox"/>

Signed this day of.....2017

Signature of shareholder Signature of Proxy holder(s)

Note :

- * Please put a 'X' in the Box in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- A Proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as Proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as Proxy, who shall not act as Proxy for any other Member.
- This form of Proxy, to be effective, should be deposited at the Registered Office of the company at Incap Limited, 1-58, Nidamanuru, Vijayawada - 521104 not later than FORTY-EIGHT HOURS before the commencement of the aforesaid meeting.

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Vijayawada - 521 104.
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27th
Annual Report
2016 - 2017

INCAP LIMITED

ISO 9001 : 2008 CERTIFIED COMPANY