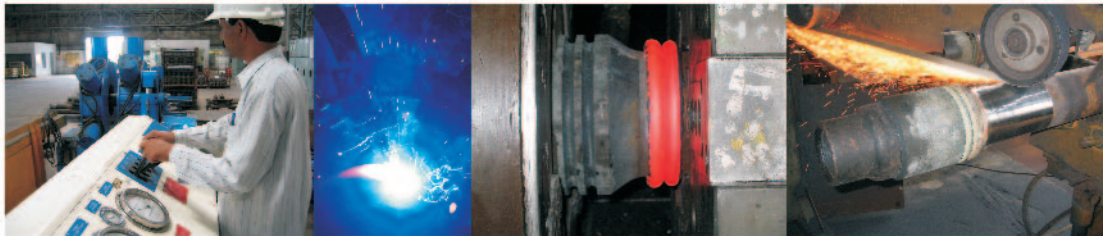
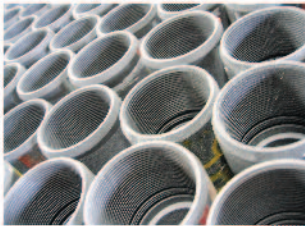




Oil Country Tubular Limited

An ISO 9001:2008 Company



Twenty Fourth Annual Report 2009-2010

BOARD OF DIRECTORS

Shri K Suryanarayana	Chairman
Shri Sridhar Kamineni	Managing Director
Shri K G Joshi	Director (Technical)
Dato' Dr. Abdul Halim Bin Harun	Director
Dr T S Sethurathnam	Director
Dr N S Datar	Director
Shri K V Ravindra Reddy	Director

COMPANY SECRETARY

Shri C S Rao

REGISTERED OFFICE

108, Kanchanjunga
King Koti Road
Hyderabad – 500 001(A.P)

BANKERS

Bank of India
State Bank of Hyderabad
Canara Bank

AUDITORS

C K S Associates
Chartered Accountants
87 Nagarjuna, Road No: 3
Gaganmahal Colony
Hyderabad - 500 029 (A.P.)

**REGISTRARS &
TRANSFER AGENTS**

XL Softech Systems Ltd.,
3, Sagar Society
Banjara Hills
Hyderabad – 500 034 (A.P.)

WORKS

Shreepuram
Narketpally Mandalam
Nalgonda Dist – 508 254 (A.P.)

NOTICE TO MEMBERS



Notice is hereby given that Twenty Fourth Annual General Meeting of Oil Country Tubular Limited will be held on Thursday, the 27th day of May 2010 at 10.00 A.M. at Taj Mahal Hotel, 2nd Floor, Akshaya Hall, 4-1-999, Abids Road, Hyderabad-500 001 to transact the following business.

ORDINARY BUSSINESS :

- 1) To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2010 and Balance Sheet as at that date together with Directors' Report and Auditors' Report thereon.
- 2) To declare a Dividend on Equity Shares.
- 3) To appoint a Director in place of Dr.T.S.Sethurathnam who retires by rotation and being eligible offers himself for reappointment.
- 4) To appoint a Director in place of Shri K.V.Ravindra Reddy who retires by rotation and being eligible offers himself for reappointment.
- 5) To consider and if thought fit, to pass with or without modifications, the following Resolution as an ORDINARY RESOLUTION:

"Resolved that, the retiring Auditors, M/s C K S Associates, Chartered Accountants, Hyderabad be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at such remuneration as may be determined by the Board of Directors".

SPECIAL BUSSINESS :

- 6) To consider and thought fit, to pass with or without modification, the following resolution as an Ordinary resolution.

"Resolved that subject to the provisions of Sections 198,269,309, and read with Section-I of part-II of Schedule-XIII and applicable provisions of the Companies act, 1956, Shri Sridhar Kamineni be and is hereby appointed as Managing Director of the Company for a period of five years with effect from 1.10.2009 at a remuneration and upon terms and conditions as set out in the agreement placed before this meeting and initialed by the Chairman for the purpose of identification."

Regd Office :

108, Kanchanjunga
King Koti Road
Hyderabad-500 001
Date: 24.04.2010

By Order of the Board of Directors

C S RAO
COMPANY SECRETARY

**Notes:**

1. A member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself. A Proxy need not be a member of the Company. Instrument of proxies in order to be effective must be received by the Company not less than 48 hours before the time for holding the meeting.
2. The Register of Members and Transfer Books of the Company will be closed from 24th May, 2010 to 26th May, 2010(both days inclusive).
3. The Dividend, if declared at the Annual General Meeting , will be paid on or after 27th May, 2010 to those persons or their mandates:
 - a) Whose names appear as Beneficial owners as at the end of the business hours on 24th May, 2010 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Ltd.
 - b) Whose names appear as member in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company/ its Registrar and Transfer Agents on or before 24th May, 2010.
4. Payments of Dividend through ECS
 - a) Members holding shares in electronic form may please note that bank details as furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd (CDSL) to the Company will be used for the purpose of distribution of dividend through Electronic Clearing Services (ECS) as directed by the Securities & Exchange Board of India. In the absence of ECS facility, the bank account details, if available, will be printed on the dividend warrants. Members holding shares in electronic form must give instructions regarding bank account in which they wish to receive dividend, to their Depository Participants. The Company or the Registrar and Share Transfer Agents will not act on any direct request from these members for change/ deletion in such bank details.
 - b) Members holding shares in Physical form are advised to submit particulars of their bank account, Viz., name and address of the branch of the bank, 9 digit MICR Code of the branch, type of Account and account number latest by 24th May,2010, to the Company or the Registrar and Transfer Agents.
5. In respect of the information to be provided under clause 49 of the Listing Agreement pertaining to the Directors being appointed/ reappointed, Members are requested to kindly refer the chapter on Corporate Governance in the Annual Report.
6. An explanatory statement pursuant to Section 173(2) of the Act is attached hereto.

EXPLANATORY STATEMENT



(Pursuant to Section 173(2) of the Companies Act, 1956)

Shri Sridhar Kamineni aged 44 years is qualified Engineer and acquired special qualification MS (Engineering Management) from USA and has undergone training in OCTG manufacturing facilities in USA. He was appointed as Joint Managing Director in the Annual General Meeting held on 18.08.2005 for a period of Five years with effect from 1.10.2004 which period expired on 30.09.2009. Considering his qualifications, experience and guidance in managing the day to day affairs of the Company for a period of 17 Years, he was appointed as Managing Director of the Company by the Board of Directors in its meeting held on 20.10.2009, for a period of five years with effect from 1.10.2009 subject to the approval of the shareholders in the next Annual General Meeting. He will be paid a remuneration and perquisites as recommended by the Remuneration Committee as detailed below within the limits prescribed under Section 269, 309, 198, and Schedule XIII and other applicable provisions of the Companies Act, 1956 subject to over all ceiling fixed under Section XIII - Part II - Section II (B) of Companies Act, 1956 as amended from time to time.

From	:	01.10.2009
Period of Appointment	:	Five Years
Pay	:	3, 00,000/- Per Month
Commission	:	An amount equal to 4(Four) percent of the Net Profits of the Company in each Financial Year computed in accordance with Section 349 of the Companies Act, 1956 including salary and perquisites.

PERQUISITES :

- 1) MEDICAL REIMBURSEMENT: For Self and family, not exceeding one month's Salary in a year or 3 months salary in a period of 3 years.
- 2) LEAVE TRAVEL CONCESSION: For Self and family, once in a year to and from any place in India in accordance with the Rules of the Company.
- 3) CLUB FEES: Club Fees subject to maximum of 2 clubs, which will not include admission and life membership fees.

Apart from the above, he will also be entitled to the following other benefits:

- a) PROVIDENT FUND, SUPERANNUATION AND GRATUITY: Provident Fund, Superannuation and Gratuity as per rules of the Company, subject to the ceiling as per the guidelines for managerial remuneration in force from time to time.
- b) CAR: Company's Car for business of the Company.
- c) TELEPHONE: Provision of telephone at residence will not be considered as perquisite but personal long distance calls shall be billed by the Company.
- d) ENTERTAINMENT/TRAVELLING: Reimbursement of travelling, entertainment and other expenses as incurred by him for the business of the Company.
- e) PRIVILEGE LEAVE: One Month's leave on full pay and allowance, for every Eleven months of service as per the Company's Rules.

None of the directors except Sri K. Suryanarayana , Chairman who is related to Sri Sridhar Kamineni was interested in the resolution.

Regd Office :

108, Kanchanjunga
King Koti Road
Hyderabad-500 001
Date: 24.04.2010

By Order of the Board of Directors

C S RAO
COMPANY SECRETARY

To the Members,

The Directors have pleasure in presenting the Twenty Fourth Annual Report on the Business of the Company and the Audited Statements of Accounts for the year ended 31st March, 2010 and Auditors report thereon.

OPERATIONS :

The Company achieved a turnover of Rs.334.73 Crores inclusive of Rs.226 Crores of Exports as against previous year turnover of Rs.422 Crores inclusive of Rs.209 Crores of Exports. The turnover has been less than that of the previous year due to global recessionary conditions and logistic issues for 2-3 Months. The profitability has marginally improved over the previous year by varying the product mix and the lower cost of raw materials. The Order Book position as on 31st March, 2010 is Rs.82.22 Crores with an additional orders worth Rs.100 Crores in pipeline. The orders on hand are mostly for Export market.

FINANCIAL RESULTS:

		2009-2010 (Rs. In Lakhs)	2008-2009 (Rs. in Lakhs)
1.	Gross Income	33473.02	42209.11
2.	Profit Before Interest and Depreciation	10608.65	10074.96
3.	Finance Charges	173.38	215.81
4.	Gross Profit	10435.27	9859.15
5.	Provision for Depreciation	698.63	747.89
6.	Net Profit before tax	9736.64	9111.26
7.	Provisions For Tax	4153.07	2617.47
8.	Net Profit after tax	5583.57	6493.79
9.	Balance of Profit brought forward.	220.62	3004.07
10.	Balance available for appropriation	5804.19	9497.86
11.	Proposed Dividend on Equity Shares	885.79	664.34
12.	Tax on proposed Dividend	150.54	112.90
13.	Transfer to General Reserves	4500.00	8500.00
14.	Surplus Carried to Balance Sheet	267.86	220.62

Dividend :

The Board of Directors of the Company are pleased to recommend dividend of Rs.2/- for each Equity Share of Rs. 10/- each on the Equity Share Capital of the Company for the Financial Year ended 31st March, 2010 subject to approval of the Shareholders in the Annual General Meeting.

PROSPECTS:

The Oil and Exploration Activities, which were reduced drastically due to global meltdown and recession during the year 2009-10 has shown signs of recovery in the last 2-3 Months, as there has been significant increase in the rig count during the last 3-4 Months and the activities are increasing further, resulting in further increase in the Rig Count. Also, the inventory levels of Oil Country Tubular Goods (OCTGs.) which were very high during the year 2009 are almost depleted and the operators have initiated procurement action for the Tubulars required for operations during the current financial year (2010-11). The Company has also penetrated into the USA Market where the demand for Oil Country Tubular Goods is to the tune of Six Million Tonnes. The Company has successfully implemented its expansion plans of Casing manufacturing capacity to 150,000 MT p.a., to meet the increased demand of Tubulars in the Domestic and Global Market. The Seamless Pipe Plant setup by United Seamless Tubular Pvt. Ltd is expected to go on stream and stabilize production by July/ August, 2010 and will be a source of supply of Green pipes of required quality and at competitive price to the Company. The prospects for the Company for the year 2010-11 are bright and the Company is expected to achieve a turnover of Rs.400 to 425 Crores with improved capacity utilization and increased profitability.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

As required by Clause 49 of the Listing Agreements with Stock Exchanges, the Management discussion and Analysis Report is enclosed as a part of this report (Annexure-1).

LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the year 2010-2011 to NSE and BSE, where the Company's Shares are listed.

DEMATERIALIZATION OF SHARES:

80.29% of the company's paid up Equity Share Capital is in dematerialized form as on March 31st, 2010 and balance 19.71 % is in physical form.

The Company's Registrars are M/s XL Softech Systems Ltd., 3 Sagar Society, Road No.2, Banjara Hills, Hyderabad-500 034 (A. P).

DIRECTORS:

Dr.T.S.Sethurathnam and Shri. K.V.Ravindra Reddy retire on rotation and being eligible offer themselves for reappointment. Your Directors recommend reappointment as proposed in the Notice for the Annual General Meeting.

THE DIRECTOR'S RESPONSIBILITY STATEMENT (UNDER SECTION 217 (2AA) OF COMPANIES ACT, 1956)

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following Statement in terms of Section 217 (2AA) of the Companies Act, 1956.

1. That in the preparation of the Annual Accounts for the year ended 31st March, 2010 the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any.
2. That such accounting policies as mentioned in Notes on Accounts have been selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a true

and fair view of the State of affairs of the Company at the Financial year 31st March, 2010 and of the profit of the Company for that year.

3. That proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the Annual Accounts for the year ended 31st March, 2010 have been prepared on a going concern basis.

AUDITORS:

The Auditors of the Company, M/s C K S Associates, Chartered Accountants, Hyderabad retire at the ensuing Annual General Meeting and are eligible for reappointment.

Auditors' observations are suitably explained in notes to the Accounts and are self-explanatory.

CORPORATE GOVERNANCE:

Your Company is committed to maintain standards of good corporate governance and has taken adequate steps to adhere to all the stipulations laid down in Clause 49 of the Listing Agreement. Report on Corporate Governance along with the Certificate of the Auditors M/s C K S Associates confirming compliance of conditions of Corporate Governance form part of the Annual Report. (Annexure-II)

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

Information required under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in Directors' Report) Rules 1988 is given in the Annexure forming part of this report (Annexure-III).

PERSONNEL:

The Company had 3 persons who were in receipt of remuneration of not less than Rs.24, 00,000 during the year ended 31st March, 2010 or not less than Rs. 2, 00,000 per month during any part of the said year.

However, as per the provision of Section 219 (1) (b) (IV) of the Companies Act, 1956, the Director's Report and Accounts are being sent to all the Shareholders excluding the statement of particulars of employees. Any shareholder interested in obtaining a copy of the statement may write to the Company Secretary of the Company.

During the year under review, relationship with the employees is cordial.

ACKNOWLEDGEMENT:

Directors take this opportunity to express their thanks to various departments of the Central and State Government, ONGC, Oil India Limited, Multinational Companies operating in India and Abroad for Oil and Gas Exploration Activities, Financial Institutions, Bankers, Material Suppliers, Customers and Shareholders for their continued support and guidance.

The Directors wish to place on record their appreciation for the dedicated efforts put in by the employees of the Company at all levels.

Regd Office:

108, Kanchenjunga
King Koti Road

Hyderabad-500 001
Date: 24.04.2010

For and on behalf of the Board Directors

K.SURYANARAYANA
Chairman

Management Discussion and Analysis report:

a) Industry Structure and Developments, Opportunities and Threats, Performance, outlook, Risks and Concerns :

Due to the Recessionary Conditions in the International Market and steep dip in the crude oil prices to a low of nearly 30 USD/ barrel from a high of 149 USD/ barrel and also the gas prices too hitting low levels, the drilling and exploration activities for oil and gas took a very big hit as they were not economical at such low crude oil and gas prices. Despite the bleak economic conditions and the logistics problems, the Company achieved a turnover of Rs.334.73 Crores in the current year (2009-10) and has been able to marginally improve the profitability due to the product mix and the lower cost of raw materials. The exports during the year 2009-10 are to the tune of Rs.226 Crores.

The Company has successfully completed the implementation of its expansion plan to increase manufacturing capacity to 150,000 MT per year. With the drilling going more deeper, the need for high grade materials is on the rise and to meet the increased demand for the high grade materials, the Company has embarked upon setting up of a second Heat Treatment Facility within its existing premises.

The oil exploration activities have shown signs of recovery during the last quarter of year 2009-10 with the increase in the crude oil prices to the range of 80 USD/ Barrel from a low of nearly 30 USD/ barrel. The pricing is also on the rise for the gas. The number of rigs being deployed is on the rise and the Operators are coming back to start their shelved drilling programs and there are good signs of procurement actions being initiated by the Operators for the Oil Country Tubular Goods, signaling the path to recovery and upward trend in the oil exploration activities world over. The Company's order book position as on March 31, 2010 is Rs.82.22 Crores, with additional orders worth Rs.100 Crores in pipeline. The orders on hand are mostly for Export market.

With increase in capacity utilization, availability of Green Pipes at competitive prices, improved logistics due to availability of Green Pipes in close vicinity, the Company expects further improvement in the turnover and its profitability.

Considering the present market conditions, the Company has targeted a turnover of Rs.400 to 425 Crores during the financial year 2010-11.

b) Internal Control Systems and their Adequacy :

The Internal Control Systems comprises of exercising Controls at various stages and are established in order to provide reasonable assurance for-

- i) Safeguarding Assets and their usage.
- ii) Maintenance of Proper Accounting Records and
- iii) Adequacy and Reliability of the information used for carrying on Business Operations.

ANNEXURE I



The Key elements of the system are as follows:

- Existence of Authority Manuals and periodical updating of the same for all Functions.
- Existence of Clearly Defined organizational Structure and Authority.
- Existence of corporate Policies for Financial Reporting and Accounting.
- Existence of Management Information System updated from time to time as may be required.
- Existence of Annual Budgets and Long Term Business Plans.
- Existence of Internal Audit System.
- Periodical Review of Opportunities and Risk Factors depending on the Global/ Domestic Scenario and to undertake Measures as may be necessary.

The Audit Committee is regularly reviewing the Internal Audit Reports for the Auditing carried out in all the key areas of the operations. Additionally the Audit Committee approves all the audit plans and reports for significant issues raised by the Internal and External Auditors. Regular reports on the business development, future plans and projections are given to the Board of Directors. Internal Audit Reports are regularly circulated for perusal of Senior Management and appropriate action as required.

Normal foreseeable risks of the Company's assets are adequately covered by comprehensive insurance. Risk assessments, Inspections and Safety Audits are carried out periodically.

c) Financial and Operational Performance :

The Highlights of Financial Operational Performance are given below :

		(Rs. In Lakhs) 2009-10	(Rs. In Lakhs) 2008-09
1	Sales/ Income from Operations	33216.22	42037.27
2	Other Income	256.80	171.84
3	Sub-total	33473.02	42209.11
4	Total Expenditure (Before Interest)	23563.00	32882.04
5	Profit before interest, Tax and Exceptional Item	9910.02	9327.07
6	Operating Margin	29.83%	22.19%
7	Profit after Tax	5583.57	6493.79
8	Return on Average Capital Employed % (before interest and Tax)	64.25	87.46
9	No of Months Receivables (Receivables/ Sales x 12)	1.47	0.78
10	Current Ratio (Current Assets/ Current Liabilities)	1.53	1.36
11	Borrowings: Equity Ratio(TL/ Equity)	0.00	0.00

d) Human Resources Development and Industrial Relations:

The Company is maintaining good employee relations and no man-days are lost during the year. The Company continued the welfare activities for the employees, which include Medical Care, Group Insurance, Canteen Facility and Transport Facility. To enrich the skills of employees and enrich their experience, the Company arranges, Practical Training Courses by Internal and External Faculty.

For and on behalf of the Board Directors

Hyderabad
24.04.2010

K.SURYANARAYANA
Chairman

Report on Corporate Governance

In terms of Compliance to Clause No. 49 of the Listing Agreement on Corporate Governance, your Company is complying with the guidelines. The report for current year is as follows:

a) Company's Philosophy:

The Company's policies, practices and philosophy adopted since inception, are in line with the Corporate Governance. The composition of Board of Directors is well balanced with a view to manage the affairs of the Company efficiently and professionally. The Company's philosophy is to produce OCTGs of high quality conforming to the international standards and provide satisfaction to all stakeholders including customers, shareholders and employees.

b) Board of Directors:

(i) Composition and Category of Directors as of March 31, 2010 is as follows:

Category	No.of Directors	%
Executive Directors	3	42.86
Non Executive, Independent Directors	4	57.14
Total	7	100

(ii) Particulars of Directorships of other Companies

OTHER DIRECTORSHIPS		
Name of the Director	Name of the Company	Position
1. Shri K Suryanarayana Chairman	United Steel Allied Industries (P) Ltd United Seamless Tubulaar (P) Ltd USAI Forge (P) Ltd Kamineni Infrastructure Pvt Ltd Kamineni Steel and Power India (P) Ltd Kamineni Oncology Centre (P) Ltd	Director Chairman & M.D Director Director Director Director
2. Shri Sridhar Kamineni Managing Director	United Steel Allied Industries (P) Ltd United Seamless Tubulaar (P) Ltd USAI Forge (P) Ltd Kamineni Infrastructure Pvt Ltd Kamineni Health Services (P) Ltd Kamineni Land Marks (P) Ltd Kamineni Steel and Power India(P) Ltd	Director Director Director Director Director Director Director
3. Dr.T.S.Sethurathnam Independent Director	Bright Brothers Ltd Meenakshi Power Ltd	Director Nominee Director
4. Dr N S Datar Independent Director	Uttam Galva Steels Ltd Mittal Corporation Ltd Shiva Cement Ltd	Director Director Director
5. Shri K V Ravindra Reddy Independent Director	Saptagiri Camphor Ltd Diana Hotels Ltd	Director Director
6. Shri K G Joshi Whole time Director	-	-
7. Dato' Dr. Abdul Halim Bin Harun Independent Director	United Seamless Tubulaar (P) Ltd Sathya Auto Pvt Ltd Castwel Auto Parts Pvt Ltd Dongshin Motech Pvt Ltd Jaybee Drilling Pvt Ltd	Director Chairman Chairman Chairman Chairman

(iii) Attendance of each Director at the Board Meetings and the last AGM During the year 2009-10

Director	No.of Board Meetings Attended	Last AGM attendance (Yes/No)
Shri K Suryanarayana	5	Yes
Shri Sridhar Kamineni	5	Yes
Dr. T S Sethurathnam	5	Yes
Dr N S Datar	5	Yes
Shri K V Ravindra Reddy	5	Yes
Shri K G Joshi	5	Yes
Dato' Dr. Abdul Halim Bin Harun	5	Yes

(iv) No. of other Board Committees they are members / Chairman

Share Transfer Committee and Grievance Committee	Audit Committee	Remuneration Committee
Dr T S Sethurathnam Chairman	Dr T S Sethurathnam Chairman	Dr T S Sethurathnam Chairman
Shri K V Ravindra Reddy Director	Dr. N S. Datar Director	Dr. N S. Datar Director
Shri K G Joshi Director	Shri K V Ravindra Reddy Director	Shri K V Ravindra Reddy Director

(v) Number of Board Meetings held, dates on which held:

5 Board meetings were held during the financial year from 1st April 2009 to 31st March 2010. The dates on which the meetings were held are as follows 24th April 2009, 27th May 2009, 8th July 2009, 20th Oct. 2009, 21st Jan. 2010.

c) Audit Committee:

The Audit Committee of the Company consists of 3 Independent Directors and 1 Executive Director as Special Invitee. The Chairman of the Audit Committee is financially literate and majority of them having accounting or related financial management experience. Representative of Statutory Auditor is permanent invitee. Company Secretary acts as Secretary to the Committee.

During the year the Committee had 4 Meetings i.e. on 24th April 2009, 8th July 2009, 20th Oct. 2009, 21st Jan. 2010. The Committee's powers and role are as stipulated by the Listing Agreement.

ANNEXURE II



Attendance of each Member at the Audit Committee Meetings:

Director	No.of Meetings held	No. of Meetings Attended
Dr. T S Sethurathnam	4	4
Dr. N S Datar	4	4
Shri K V Ravindra Reddy	4	4

The Chairman of the Audit Committee was present at the last Annual General Meeting.

(d) Remuneration Committee:

The Committee will meet as and when any remuneration is to be fixed for any Director / Managing Director.

During the year the Committee had 2 Meetings i.e. on 24th April 2009, and 20th Oct. 2009.

Attendance of each Member at the Remuneration Committee Meetings:

Director	No.of Meetings held	No. of Meetings Attended
Dr. T S Sethurathnam	2	2
Dr. N S Datar	2	2
Shri K V Ravindra Reddy	2	2

(e) Shareholders Committee:

The following Committee of Directors looks after the Investor Grievances:

Dr T S Sethurathnam

Shri K V Ravindra Reddy

Shri K G Joshi

During the year 4 Investor Grievance Committee Meetings were held on 24th April 2009, 8th July 2009, 20th Oct. 2009, 21th Jan. 2010. The attendance of the Members at the meeting was as under:

Director	Position	No.of Meetings held	No. of Meetings Attended
Dr. T S Sethurathnam	Chairman	4	4
Shri K V Ravindra Reddy	Member	4	4
Shri K G Joshi	Member	4	4

Name and designation of Compliance Officer:

Shri C S Rao, Company Secretary.

Share holders' Services :

		2009-2010		2008-2009	
Sl. No.	Nature of Complaints	Received	Answered	Received	Answered
1	Non receipt of Shares lodged for Demat	-	-	-	-
2	Non receipt of Dividend warrants	131	131	-	-
3	Others	28	28	2	2

f) General body meetings:**Location and time for the last three AGMs**

Year	Date	Venue	Time	Special Resolution
2006-2007	23.08.2007	Taj Mahal Hotel 2nd Floor Akshaya Hall 4-1-999 Abids Road, Hyderabad	10.00 A.M.	Nil
2007-2008	18.07.2008	Taj Mahal Hotel 2nd Floor Akshaya Hall 4-1-999 Abids Road, Hyderabad	10.00 A.M.	Nil
2008-2009	27.05.2009	Taj Mahal Hotel 2nd Floor Akshaya Hall 4-1-999 Abids Road, Hyderabad	10.00 A.M.	Payment of Commission to Executive Directors of the Company

No Postal Ballot was conducted during the Year.

Extraordinary General Meetings - Nil

ANNEXURE II**Disclosures:****(i) Related party transactions during the year:****(Rs in lakhs)**

SL. NO.	PARTICULARS OF THE PARTY	RELATIONSHIP	NATURE OF TRANSACTIONS	AMOUNT	
				2009-2010	2008-2009
1	United Steel Allied Industries Pvt. Ltd.	Two of the Directors are interested	Maintenance of Plant & Machinery	74.92	76.20
			Loading and Un-Loading of Pipes	241.92	223.64
2	Mrs. K. Indira	Two of the Directors are related	Rent for office premises	32.87	29.88
			Rent for Tractor at Factory	1.44	1.44
3	Mrs. B. UshaSree	Two of the Directors are related	Rent for office premises	28.25	26.31
4	V Max Studio & Advertising	One Director is Interested	Advertising, & Publishing	47.83	49.52
5	USAI FORGE PVT LTD.	Two of the Directors are interested	Material Purchase	3081.18	0.00

(ii) Remuneration paid or payable to Directors during the year 2009-2010**(Rs in lakhs)**

Name of the Director	Relationship With other Directors	Sitting fees (Rs)	Salary & Allowance (Rs)	Contribution of PF (Rs)	Perquisites (Rs)	Commission (Rs)	Total (Rs)
Shri K Suryanarayana	Related to Shri Sridhar Kamineni	-	39.12	-	6.00	496.10	541.22
Shri Sridhar Kamineni	Related to Shri K Suryanarayana	-	33.60	3.09	6.00	390.29	432.98
Shri K G Joshi	None	-	24.87	1.76	2.60	79.01	108.24
Dr. T S Sethurathnam	None	1.50	-	-	-	-	1.50
Dr N S Datar	None	1.30	-	-	-	-	1.30
Shri K V Ravindra Reddy	None	1.50	-	-	-	-	1.50
Dato' Dr. Abdul Halim Bin Harun	None	1.00	-	-	-	-	1.00
Grand Total							1087.74

There are no non-compliance of any statutes by the company. Neither penalties nor strictures were imposed by any Stock Exchange / SEBI or any other statutory authority on any matter related to capital markets during last 3 years.

(viii) Means of Communication:

Quarterly Results are published in Newspapers i.e., Financial Express, Economic Times (Hyderabad & Mumbai), Andhra Prabha (Regional newspaper). Displayed on Securities & Exchange Board of India website. No presentation made to institutional investors or to the analysts.

(ix) General Shareholder's information

- | | |
|---|--|
| 1. AGM date, time and venue | Thursday, 27th May, 2010
AT 10.00 A.M.
Tajmahal Hotel
2nd Floor, Akshaya Hall
4-1-999, Abids Road
Hyderabad - 500 001 |
| 2. Financial Calendar | |
| 1st Quarter | 1st April to 30th June |
| 2nd Quarter | 1st July to 30th September |
| 3rd Quarter | 1st October to 31st December |
| 4th and Final Quarter | 1st January to 31st March |
| 3. Date of Book Closure | : 24/05/2010 to 26/05/2010
(both days inclusive) |
| 4. Dividend Payment date | : On or after 27th May, 2010 |
| 5. Listing on Stock Exchanges | : The Company's Shares are currently listed at following Stock Exchanges: |
| (i) Bombay Stock Exchange Ltd,
BSE's Corporate Relationship Dept
1ST Floor, New Trading Ring
Routunga Building, P J Towers
Dalal Street, Mumbai - 400 001 | (ii) National Stock Exchange of India Ltd
Exchange Plaza
5th Floor, Plot No: C/1
G-Block, Bandra Kurla Complex
Bandra East, Mumbai - 400 051 |
| 6. Stock Exchange Security Code | |
| (i) 500313 - BSE | ii) OILCOUNTUB - NSE |
| 7. Listing fees | : Paid to Bombay Stock Exchange Ltd and National Stock Exchange of India Ltd upto (including) 2010-2011 |

ANNEXURE II

8. Monthly High and Low quotations along with the volume of shares traded at National Stock Exchange of India Ltd., & Bombay Stock Exchange Ltd., during 2009 - 2010:

Month & Year	NSE			BSE		
	High (Rs.)	Low(Rs.)	Volume (Nos)	High (Rs.)	Low(Rs.)	Volume (Nos)
Apr. 2009	59.95	30.50	1041712	57.30	36.45	1481816
May 2009	71.00	37.15	4752503	71.00	41.70	2436805
June 2009	84.95	53.40	2328648	85.15	53.85	1978360
July 2009	69.60	56.00	1034733	69.90	55.50	915905
Aug. 2009	96.90	63.40	9069214	96.90	63.75	7130346
Sept. 2009	95.50	78.90	2977837	95.45	78.65	2596529
Oct. 2009	117.20	74.15	10946060	117.35	74.65	7184506
Nov. 2009	140.70	97.00	11178930	140.70	100.05	8076776
Dec. 2009	136.00	115.15	4446182	136.25	117.15	3106768
Jan. 2010	144.70	101.65	7848623	144.60	101.50	5001373
Feb. 2010	124.55	107.55	2422666	124.55	108.00	1576744
Mar. 2010	115.55	100.00	766274	116.50	100.50	872117
TOTAL			58813382	TOTAL		42358045

9. The Company's Depository Registrar for Shares in Physical and Electronic Form:

XI Softech Systems Ltd
 3 Sagar Society
 Road No.2
 Banjara Hills
 Hyderabad-500 034
 PH No: 040-23545913/23545914.

10. Share Transfer System

The transactions of the shares held in Demat and Physical form are handled by the Company's Depository Registrar, XI Softech Systems Ltd.

The Shares transferred (in physical form) during 2009-2010

	2009-2010	2008-2009
Shares Transferred	51544	191205
Total No. of Shares as on 31st March	44289530	44289530
% on Share Capital	0.11	0.43

Categories of shareholders as on 31st March, 2010

Category	No. of shareholders	Voting Strength %	No. of Shares held
Individuals	36456	96.32	13893432
Companies	676	1.79	3010431
FII's	1	0.01	5400
OCBs and NRI's	659	1.74	10390046
Promoters	36	0.09	16926091
Mutual Funds, Banks, FIs	19	0.05	64130
Total	37847	100%	44289530

Investor's Correspondence may be addressed to:

Shri C S Rao
Company Secretary
Oil Country Tubular Limited,
108, Kanchanjunga, King Koti Road,
Hyderabad - 500 001
Tel: 040-23231496, 23231497
Fax: 040-23235617
E-mail : demat@octlindia.com

11. Distribution of Share Holdings :

No. of Equity Shares held	As on 31.03.2010				As on 31.03.2009			
	No. of Share holders	% of Share holders	No. of Shares	% of Share holding	No. of Share holders	% of Share holders	No. of Shares	% of Share holding
1 - 500	35057	92.63	4787937	10.81	33858	92.76	4709716	10.63
501-1000	1543	4.07	1253478	2.83	1528	4.19	1244075	2.81
1001 - 2000	685	1.81	987986	2.23	527	1.45	791740	1.79
2001 - 3000	166	0.44	426408	0.96	138	0.46	426996	0.96
3001 - 4000	83	0.22	292157	0.66	71	0.19	255640	0.58
4001 - 5000	76	0.20	364772	0.82	82	0.22	396168	0.89
5001 - 10000	93	0.25	682211	1.54	88	0.24	642320	1.45
10001 and above	144	0.38	35494581	80.15	179	0.49	35822875	80.89
Total	37847		44289530	100%	36501	100%	44289530	100%



12. Dematerialization of Shares: 35558694 Shares working out to 80.29 % of the total Shares have been dematerialized up to 31st March 2010 and balance 8730836 shares working out to 19.71 % are in physical form.
13. The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments.
14. Plant Locations : Shreepuram
Narketpally Mandalam
Nalgonda Dist - 508 254 (A.P.)
15. Address of Registered Office : 108, Kanchanjunga, King Koti Road
Hyderabad - 500 001
Tel No: 23231496, 23231497
Tel Code: 040
Fax No: 040 23235617
16. CEO/ CFO Certification: As required by Clause 49 of the Listing Agreement, the CEO/ CFO Certification is provided in the Annual Report.
17. Details of Directors proposed for Reappointment / Appointment :
- 1) Dr. T.S. Sethurathnam, Aged about 80 years is retired from Indian Audit and Accounts Service of Government of India. He was associated with the Kandla port at the time of its construction as Financial Auditor before he joined the MPSEB. After having held Senior positions, he retired as Chairman. After retirement he served in Power. Finance Corporation, Chairman of Bombay Suburban Electric Supply Company. He had also served as Consultant to Houston Industries Ltd., US based electric supply and Gas Company for Indian Operations. He is also a Director / Nominee Director in various Companies and has proven managerial and administrative capabilities. He is associated with the Company for over 20 years.
 - 2) Shri K V Ravindra Reddy aged about 68 Years is an expert in Corporate legal affairs. He retired as Chief General Manager (Legal) in Andhra Pradesh Industrial Development Corporation and has rich experience in Corporate Business, Administration and Management. He is a Director on the Board of Directors of the Company for over 20 years.

For and on behalf of the Board Directors

Place : Hyderabad
Date : 24.04.2010

K.SURYANARAYANA
Chairman

CEO AND CFO CERTIFICATION

We, Sridhar Kamineni Managing Director and P.Radha Krishna General Manager (Finance) responsible for the finance function certify that :

- a) We have reviewed the financial statements and cash flow statement for the year ended March 31, 2010 and to the best of our Knowledge and belief:
 - i) These Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of our Knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2010 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
 - i) There has not been any significant change in internal control over financial reporting during the year under reference.
 - ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements.
 - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Sridhar Kamineni
Managing Director

P. Radha Krishna
G.M (Finance)

Place: Hyderabad.
Date: April 24, 2010

**AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE****The Members of Oil Country Tubular Limited**

We have examined the compliance of conditions of Corporate Governance by Oil Country Tubular Ltd., for the year ended March 31, 2010 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

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

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

We state that in respect of investor grievances received during the year ended 31st March, 2010, no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders Committee.

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

For **C K S Associates**
Chartered Accountants

Hyderabad
Date: 24.04.2010

P Ganapati Rao
Partner
M.No. 24113

ANNEXURE III



Disclosure of Particulars pursuant to Companies (Disclosure of particulars in the report of the Board of Directors) Rules 1998

A. CONSERVATION OF ENERGY:

Energy conservation continues to receive priority attention at all levels. All efforts are made to conserve and optimise use of energy through continuous monitoring, improvement in maintenance and distribution systems and through improved operational techniques.

B. TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per Form B below:

FORM B

Research and Development

The major achievement by the Company due to their continuous Research and Development activities is indigenisation of toolings and improvements in the manufacturing processes and operational procedures. The Research and Development activity is given the highest priority by the Company.

Expenditure on R&D

	(Rs in Lakhs) (2009-2010)	(Rs in Lakhs) (2008-2009)
a. Capital	2658.93	2500.12
b. Recurring	78.90	231.46
c. Total	2737.83	2731.58
d. Total R&D expenditure as a Percentage of total turnover	8.24%	6.50%

Technology absorption, adaptation and Innovation:

Efforts, in brief, made towards technology Absorption, adaptation and innovation.

Updation of Technology is a continuous process, absorbed, implemented and adapted by the Company for innovation. Efforts are continuously made to develop new products required in the Oil and Gas Industry.

Benefits derived as a result of the above efforts

The Company has been able to successfully indigenise the toolings to a large extent and successfully developed new products by virtue of technology Absorption, adaptation and innovation

In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) the information may be furnished

Not applicable since 5 years period is over

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Foreign exchange outgo and foreign exchange earned by the Company during the year are detailed in Note No.17 and 18 of Schedule P to the accounts.

For and on behalf of the Board Directors

Hyderabad
Date: 24.04.2010

K. SURYANARAYANA
Chairman

To

The Members of OIL COUNTRY TUBULAR LIMITED

1. We have audited the attached Balance Sheet of OIL COUNTRY TUBULAR LIMITED as at March 31, 2010 and also the Profit and Loss Account and Cash Flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by Companies (Auditors' Report) Order, 2003, (as amended) issued by the Central Government in terms of section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books;
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet , Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;



- e. On the basis of written representations received from the directors as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - 1. in the case of the Balance Sheet of the state of affairs of the Company as at March 31, 2010 and
 - 2. in the case of the Profit and Loss account, of the Profit of the Company for the year ended on that date.
 - 3. in the case of Cash Flow statement, of the cash flows for the year ended on that date.

For **C K S ASSOCIATES**
Chartered Accountants

HYDERABAD
April 24, 2010

P. GANAPATI RAO
Partner
M.No. 24113

ANNEXURE TO THE AUDITORS' REPORT:

(Referred to in Paragraph 3 of our report of even date)

- 1.1. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- 1.2. All the assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- 1.3. During the year, the company has not disposed off a substantial part of fixed assets during the year.
- 2.1. The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- 2.2. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- 2.3. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on such physical verification.
3. The company has neither granted nor taken any loan, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956. Accordingly, the sub-clauses (a), (b), (c), (d), (e), (f) and (g) of clause (iii) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- 5.1. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- 5.2. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public to which the directives issued by Reserve Bank of India and the provisions of Sections 58A, 58 AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under apply.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. As per the information given to us, the central Government has not prescribed maintenance of Cost Records under section 209 (1)(d) of the Companies Act, 1956.

AUDITOR'S REPORT



- 9.1. The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education & protection fund, employees state insurance, income tax, sales tax, wealth tax, customs duty, excise duty, cess, service tax and other material statutory dues applicable to it.
- 9.2. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty, and cess were in arrears, as at March 31, 2010, for a period of more than six months from the date they became payable.
10. The Company has no accumulated losses. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank.
12. In our opinion and according to the information and explanations given to us, the company has not granted any loans and advances, on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. In our opinion, the company is not dealing in or dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. In our opinion and according to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions.
16. The company has not taken any long term loans during the year under review.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long term investment.
18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act, during the year under report.
19. The Company has not issued any debentures.
20. The Company has not raised any money by public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For **C K S ASSOCIATES**
Chartered Accountants

P. GANAPATI RAO
Partner
M.No. 24113

HYDERABAD
April 24, 2010

BALANCE SHEET



BALANCE SHEET AS AT 31.03.2010

[Rs. in Lakhs]

	SCH	31.03.2010		31.03.2009	
I SOURCES OF FUNDS					
1. SHARE HOLDERS' FUNDS					
a) Share Capital	A	4428.95		4428.95	
b) Reserves and surplus	B	13349.33		8802.09	
			17778.28		13231.04
2. LOAN FUNDS					
Secured Loans	C		695.32		837.15
3. Deferred Tax Liability			2264.79		677.07
TOTAL			20738.39		14745.26
II. APPLICATION OF FUNDS	D				
4. FIXED ASSETS					
a) Gross Block		35722.45		32551.96	
b) Less : Depreciation		26909.27		26210.64	
c) Net Block			8813.18		6341.32
d) Capital Works in Progress			1.75		0.00
5. INVESTMENTS	E		3220.40		2500.00
6. CURRENT ASSETS, LOANS AND ADVANCES					
a) Inventories	F	9564.05		9279.12	
b) Sundry Debtors	G	4072.23		2747.44	
c) Cash and Bank Balances	H	1080.89		2721.46	
d) Other Current Assets	I	122.99		70.56	
e) Loans and Advances	J	8281.05		4462.58	
		23121.21		19281.16	
Less : CURRENT LIABILITIES AND PROVISIONS	K				
a) Current Liabilities		7012.22		8796.85	
b) Provisions		7405.93		4580.37	
NET CURRENT ASSETS			8703.06		5903.94
TOTAL			20738.39		14745.26
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS	Q				

Per our report attached
for **C.K.S. ASSOCIATES**
Chartered Accountants

P. Ganapati Rao
Partner
M.No. 24113

For and on behalf of the Board of Directors
K.Suryanarayana
Chairman

Sridhar Kamineni
Managing Director

K.G. Joshi
Dato' Dr. Abdul Halim Bin Harun
Dr.T.S.Sethurathnam
Dr. N.S. Datar
K.V. Ravindra Reddy
Directors

Place : Hyderabad
Date : April 24, 2010

C.S. Rao
Company Secretary

PROFIT AND LOSS ACCOUNT



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010				[Rs. in Lakhs]	
	SCH	31.03.2010		31.03.2009	
INCOME					
a) Sales and Services		33706.73		42579.86	
Less : Duties and Taxes		490.51	33216.22	542.59	42037.27
b) Other Income	L		256.80		171.84
TOTAL			33473.02		42209.11
EXPENDITURE					
a) Cost of Materials	M		16845.56		25771.18
b) Manufacturing, Administration, Selling & Distribution Expenses	N		7998.58		9388.93
c) Finance Charges	O		173.38		215.81
d) Depreciation		698.63		1478.88	
Less: Depreciation on Revalued Assets		0.00	698.63	730.99	747.89
TOTAL	P		25716.15 (1979.77)		36123.81 (3025.96)
Adjustments of Stocks			9736.64		9111.26
PROFIT FOR THE YEAR					
Less : Provision for Current Year Tax		2565.35		2426.56	
Provision for Fringe Benefit Tax		0.00		16.00	
Provision for Deferred Tax		1587.72		(187.85)	
Prior Period Taxation		0.00	4153.07	362.76	2617.47
PROFIT AFTER TAX			5583.57		6493.79
Surplus from the Previous Year brought forward			220.62		3004.07
AVAILABLE FOR APPROPRIATION			5804.19		9497.86
Proposed Dividend		885.79		664.34	
Tax on Proposed Dividend		150.54		112.90	
Transfer to General Reserve		4500.00		8500.00	
			5536.33		9277.24
Surplus Carried to Balance Sheet			267.86		220.62
EPS (Rs.) Basic / Diluted for the year			12.61		14.66
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS	Q				

Per our report attached
for **C.K.S. ASSOCIATES**
Chartered Accountants

P. Ganapati Rao
Partner
M.No. 24113

For and on behalf of the Board of Directors
K.Suryanarayana
Chairman

Sridhar Kamineni
Managing Director

K.G. Joshi
Dato' Dr. Abdul Halim Bin Harun
Dr.T.S.Sethurathnam
Dr. N.S. Datar
K.V. Ravindra Reddy
Directors

Place : Hyderabad
Date : April 24, 2010

C.S. Rao
Company Secretary

[Rs. in Lakhs]		
	31.03.2010	31.03.2009
SCHEDULE A : SHARE CAPITAL		
AUTHORISED :		
8,50,00,000 Equity Shares of Rs,10/- each	8500.00	8500.00
ISSUED, SUBSCRIBED AND PAID UP:	4428.95	4428.95
4,42,89,530 Equity Shares of Rs.10 each fully paid up in Cash	4428.95	4428.95
SCHEDULE B: RESERVES AND SURPLUS		
Revaluation Reserve		
Balance brought Forward	80.82	811.81
Less : Depreciation on Revalued Assets	0.00	730.99
	80.82	80.82
Capital Reserve (Share Forfeiture)	0.65	0.65
General Reserve	13000.00	8500.00
Surplus	267.86	220.62
	13349.33	8802.09
SCHEDULE C: SECURED LOANS		
WORKING CAPITAL LOANS FROM BANKS		
Cash Credit	695.32	837.15
	695.32	837.15

SCHEDULES



SCHEDULE D: FIXED ASSETS

[Rs. in lakhs]

DESCRIPTION	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	COST 01.04.2009	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	TOTAL COST AS ON 31.03.2010	UP TO 01.04.2009	FOR THE YEAR	DEDUCTIONS DURING THE YEAR	UP TO 31.03.2010	AS ON 31.03.2010 AS ON 31.03.2009
LAND	352.59	0.00	0.00	352.59	0.00	0.00	0.00	0.00	352.59
BUILDINGS	2290.25	1080.63	0.00	3370.88	1053.56	57.59	0.00	1111.15	1236.69
PLANT & MACHINERY	29435.15	2025.00	0.00	31460.15	24811.85	599.59	0.00	25411.44	4623.30
OFFICE EQUIPMENT	137.80	23.90	0.00	161.70	83.40	9.19	0.00	92.59	54.40
DATA PROCESSING EQUIPMENT	171.36	19.98	0.00	191.34	153.22	12.08	0.00	165.30	18.14
FURNITURE & FIXTURES	118.20	10.28	0.00	128.48	82.21	13.72	0.00	95.93	35.99
VEHICLES	46.61	10.70	0.00	57.31	26.40	6.46	0.00	32.86	20.21
T O T A L	32551.96	3170.49	0.00	35722.45	26210.64	698.63	0.00	26909.27	6341.32
CAPITAL WORKS IN PROGRESS (Civil Works)	0.00	1.75	0	1.75	0	0	0	0	0
T O T A L	32551.96	3172.24	0.00	35724.20	26210.64	698.63	0.00	26909.27	6341.32
PREVIOUS YEAR	29799.47	2786.26	33.77	32551.96	24761.14	1478.88	29.38	26210.64	5038.33

[Rs. in Lakhs]		
	31.03.2010	31.03.2009
SCHEDULE E : INVESTMENTS		
Unquoted Investments		
2,12,20,400 (2,00,00,000) Shares of @Rs.10/- each in United Seamless Tubulaar Pvt Ltd.,	3220.40	2000.00
(Including 1,90,00,000 of Bonus Shares @ Rs.10/-each)		
Share Application Money	0.00	500.00
	3220.40	2500.00
SCHEDULE F: INVENTORIES		
(As certified by the Management)		
Raw Materials	489.43	1905.74
Stores & Spare parts	1746.36	2024.91
Work in progress	6887.27	2990.09
Finished Goods	440.30	2354.36
Scrap	0.69	4.02
	9564.05	9279.12
SCHEDULE G: SUNDRY DEBTORS		
(Unsecured, Considered good for which the company holds no security other than Debtors Personal Security)		
a) Outstanding for more than six months	342.85	1300.67
b) Other debts	3729.38	1446.77
	4072.23	2747.44
SCHEDULE H: CASH AND BANK BALANCES		
Cash on Hand	1.75	1.31
Balances with Scheduled Banks in :		
a) Current Account	371.75	2018.09
b) Margin Money Deposits Accounts	680.66	702.06
c) Unclaimed Dividend Account	26.73	0.00
	1080.89	2721.46
SCHEDULE I : OTHER CURRENT ASSETS		
Interest Receivable	122.99	70.56
	122.99	70.56

SCHEDULES



[Rs. in Lakhs]

	31.03.2010		31.03.2009	
SCHEDULE J : LOANS AND ADVANCES (Unsecured and Considered good Recoverable in cash or kind or for value to be received)				
a) Advances		1356.13		487.72
b) Prepaid Taxes - Income Tax, FBT		6404.82		3554.54
c) Balances with Central Excise Authorities		393.76		295.15
d) Deposits		126.34		125.17
		8281.05		4462.58
SCHEDULE K : CURRENT LIABILITIES AND PROVISIONS				
A. CURRENT LIABILITIES				
Sundry Creditors		5508.67		7295.98
Outstanding liabilities		1233.29		1347.97
Unclaimed Dividend		26.73		0.00
Other Liabilities		243.53		152.90
		7012.22		8796.85
B. PROVISIONS				
Provision for Income Tax		6322.73		3756.26
Provision for Fringe Benefit Tax		46.87		46.87
Provision for Proposed Dividend		885.79		664.34
Tax on Proposed Dividend		150.54		112.90
		7405.93		4580.37
SCHEDULE L: OTHER INCOME				
Interest from banks and others (Tax Deduction at Source : Rs.9.45 Lakhs)		76.90		52.50
Scrap Sales		90.97		118.83
Miscellaneous Income		88.93		0.51
		256.80		171.84
SCHEDULE M : COST OF MATERIAL				
Opening Stocks	1905.74		959.39	
Add:Purchases	15429.25		26717.53	
		17334.99		27676.92
Less : Closing Stock		489.43		1905.74
Consumption of Raw Materials		16845.56		25771.18

SCHEDULES



[Rs. in Lakhs]

	31.03.2010		31.03.2009	
SCHEDULE N: MANUFACTURING, ADMINISTRATION SELLING AND DISTRIBUTION EXPENSES				
Stores, Spares and Tools consumed		1260.29		1237.51
Power and Fuel		1246.31		1315.41
Expenses on Employees :				
a) Salaries and Wages	1421.49		1332.02	
b) Contribution to P.F. and E.S.I.	91.55		85.66	
c) Gratuity, LTA and Medical expenses	37.36		310.60	
		1550.40		1728.28
Rent		61.12		56.20
Rates and Taxes		112.38		243.56
Central Excise Duty		3.88		8.31
Insurance		47.28		72.05
Repairs & Maintenance				
a) Buildings	13.53		44.42	
b) Plant & Machinery	134.73		115.06	
		148.26		159.48
Packing, Forwarding and Handling		200.51		390.82
Telephone and Telex		31.71		30.47
Travelling Expenses - Directors		42.17		70.91
Travelling Expenses - Others		55.14		62.52
Directors Remuneration		1082.44		1011.52
Sitting Fee to Directors		5.30		1.75
Product Development Expenditure		78.90		231.46
Selling and Distribution Expenses		1373.97		1868.75
Remuneration to Auditors				
a) Audit Fee	3.50		3.50	
b) Tax Audit Fee	0.35		0.35	
c) Tax Representation	15.40		0.65	
d) Certification & Others	0.48		0.62	
		19.73		5.12
Exchange rate fluctuation		(84.82)		157.78
Loss / (Profit) on sale of assets		0.00		(9.29)
Bank Charges		187.22		272.85
Administration Expenses		576.39		473.47
		7998.58		9388.93
SCHEDULE O : FINANCE CHARGES				
Interest :				
a) On Term Loans		0.00		2.07
b) On Working Capital Loans		173.38		213.74
		173.38		215.81
SCHEDULE P : ADJUSTMENT OF STOCKS				
Opening Stocks of WIP & Finished Goods		5348.49		2322.53
Less : Closing Stocks of WIP & Finished Goods		7328.26		5348.49
Decrease /(Increase) in Stocks		(1979.77)		(3025.96)

OILCOUNTRY TUBULAR LIMITED**SCHEDULE Q:****SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS****1. HISTORY:**

Oil Country Tubular Limited (OCTL) is a unique integrated facility established in 1989 and is one of the leading Companies in the world, processing a wide range of Oil Country tubular Goods viz., Drill Pipes, Heavy Weight Drill Pipes, Tubing, Casing, Drill Collars and other Oil Field Accessories required for the Oil Drilling and Exploration. The facility was set up in the State of Andhra Pradesh, India with a capital outlay of Rs.500 Million.

2. SIGNIFICANT ACCOUNTING POLICIES:**A) Basis of Preparation of Financial Statements:**

The Financial Statements are prepared on going concern assumption and under the historical cost convention, except for certain fixed assets which are revalued in accordance with generally accepted Accounting principles in India and the provisions of the Companies Act 1956.

B) Use of Estimates:

The preparation of financial statements requires estimates and assumption to be made that effect the report amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

C) Fixed Assets:

Fixed assets are stated at cost net of cenvat / value added tax and includes amounts added on revaluation, less accumulated depreciation, and impairment of loss, if any. All costs including financing costs till commencement of production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalised.

D) Investments :

Investments in Un-Quoted Shares are stated at Cost.

E) Depreciation:

Depreciation on Buildings and Plant and Machinery is provided on straight-line method at the rates specified in schedule - XIV of the Companies Act 1956. Depreciation on other fixed assets is provided on written down value method at the rates specified in schedule - XIV of the Companies Act 1956.

F) Impairment of Asset:

The Carrying amount of asset is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the greater of the asset's net selling price and value in use, which is determined based on the estimated future cash flow discounted to their present values. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment loss is reversed if there has been change in the estimates used to determine the recoverable amount.

G) Inventories:

Items of inventories are valued at lower of cost or net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. Cost of raw material is determined on weighted average method where identification is not practical. Scrap is valued at estimated realisable value.

H) Foreign Currency Transactions:

Foreign Currency Transactions are recorded at the exchange rates prevailing at the transaction date. Current Assets and Current Liabilities relating to Foreign Currency Transactions remaining unsettled at the Balance Sheet date are translated at the year end rates. The result gain / loss, if any, is recognised in Profit & Loss Account.

I) Turnover:

Turnover includes sale of goods adjusted for discounts.

J) Employee Benefits:**1. Gratuity:**

The Company contributes towards Group Gratuity Fund (defined benefit retirement plan) administered by the Life Insurance Corporation of India, for eligible employees. Under this scheme, the settlement obligation remains with the Company, while the Life Insurance Corporation of India administers the scheme and determines the premium to be contributed by the Company. The plan provides for a lump-sum payment to the vested employees on retirement or termination of employment, based on the respective employees' salary and the years of service with the Company. Liability with regard to gratuity fund is accrued, based on actuarial valuation conducted by an independent actuary, using the projected unit credit method as at March 31, every year.

2. Provident Fund :

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged off to the Profit and Loss account of the year when the contributions to the fund are due. There are no other obligations other than the contributions to be remitted to the Provident Fund Authorities.

3. Leave Encashment :

Provision for Leave Encashment is recognised in the books as per the actuarial valuation.

K) Borrowing Cost :

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

L) Provision for Current and Deferred Tax:

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is not recognised in the books as matter of prudence.

M) Research and Development:

Capital expenditure incurred has been disclosed under their natural heads of account and revenue expenditure incurred is charged off as a distinct item in the Profit and Loss account.

N) Claims:

Claims by and against the company, including liquidated damages, are recognised on acceptance basis.

3. As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:

Defined Contribution Plan

Contribution to Defined Contribution Plan recognised as expenses for the year as under:

	(Rs. in lakhs)	
	2009-10	2008-09
Employer's Contribution to Provident Fund	83.83	78.46
Employer's Contribution to ESI	1.13	1.07

Defined Benefit Plan

The employees' gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognised each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit to build up the final obligation. The obligation for leave encashment is recognised in the books as per LIC actuarial valuation.

I. Reconciliation of opening and closing balances of Defined Benefit obligation

	Gratuity (Funded) 2009-10	Gratuity (Funded) 2008-09
Defined Benefit obligation at beginning of the year	149.56	92.27
Current Service Cost	22.43	11.53
Interest	10.31	6.94
Actuarial (gain) / loss	6.67	44.37
Benefits paid	10.71	5.55
Defined Benefit obligation at year end	164.92	149.56

II. Reconciliation of opening and closing balances of fair value of plan assets

	Gratuity (Funded) 2009-10	Gratuity (Funded) 2008-09
Fair value of plan assets at beginning of the year	125.94	101.35
Expected Net return on plan assets	11.40	9.51
Employer contribution	11.51	20.63
Benefits paid	10.71	5.55
Fair value of plan assets at year end	138.14	125.94

III. Reconciliation of fair value of assets and obligations.

	2009-10		2008-09	
	Gratuity (Funded)	Leave Encashment	Gratuity (Funded)	Leave Encashment
Fair value of plan assets	138.14	—	125.94	—
Present value of obligation	163.51	—	92.27	—
Amount recognised in Balance sheet	25.37	65.76	33.67	54.87

IV. Expenses recognised during the year

	Gratuity (Funded) 2009-10	Gratuity (Funded) 2008-09
Current Service Cost	22.43	11.53
Interest Cost	10.31	6.94
Expected return on plan assets.	11.51	9.51
Actuarial (Gain / Loss)	6.67	44.37
Net Cost	27.90	53.33

V. Investment Details:

	% Invested As at 31st March 2010	% Invested As at 31st March 2009
L.I.C.	100.00	100.00

VI. Actuarial assumptions

	Gratuity (Funded)	Gratuity (Funded)
Mortality Table (LIC)		
Discount rate (per annum)	8%	8%
Expected rate of return on plan assets (per annum)	7.5%	8%
Rate of escalation in salary (per annum)	4%	4%

SCHEDULES



The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

	(Rs. in Lakhs) As at 31.03.2010	(Rs. in Lakhs) As at 31.03.2009
4. Contingent liabilities not provided for		
a) Bank guarantees	2347.28	3270.77
b) Letters of credit	1622.27	1649.65
c) Bills discounted	2985.21	2158.56
d) Un-executed Capital Work In Progress	8.25	0.00
5. Claims against the company not acknowledged as debts		
Income Tax	449.90	418.40
(The revenue has appealed before Hon'ble High Court of Andhra Pradesh against the order of Hon'ble Andhra Pradesh Income Tax appellate Tribunal, Hyderabad which was in favour of the Company)		
6. Working Capital Loans from banks and interest accrued on these loans are secured by hypothecation of present and future raw materials, work in progress, finished goods, stores and spares and book debts of the company and a second charge on the immovable properties.		
7. The Company has provided for Deferred Tax in accordance with Accounting Standard on Accounting for Taxes on Income' (AS-22) issued by the Institute of Chartered Accountants of India. The details of deferred tax assets and liabilities of the Company as on the date of Balance Sheet are as follows:		

	As on 31.03.2010
Deferred Tax Liability	68,26,62,327
- on Fixed assets	
Deferred Tax Asset	1,63,51,680
- on Gratuity	
NET DEFERRED TAX LIABILITY	66,63,10,647
Net Deferred Tax charge to Profit & Loss Account for the year	
Deferred Tax	22,64,78,989
LESS : Already Provided	6,77,06,824
Net Deferred Tax	15,87,72,165

SCHEDULES



	(Rs. in Lakhs)	
	2009-10	2008-09
8. a. Managerial Remuneration		
Salary paid/payable	97.58	87.59
Contribution to provident and other funds	4.86	3.31
Perquisites	14.60	10.30
Commission	965.40	910.32
	1082.44	1011.52
b. Computation of Net Profit in Accordance with Section 309 (5)		
	(Rs. in lakhs)	(Rs.in lakhs)
	2009-10	2008-09
Profit before tax as per Profit & Loss Account	9736.64	9111.26
Add: Depreciation charged in the accounts	698.63	747.89
Directors emoluments (Directors Remuneration & Sitting fees)	1087.74	1013.27
Less: Depreciation charged in the accounts	698.63	747.89
Profit on sale of fixed assets	0.00	9.29
	10824.38	10115.24
Maximum Remuneration eligible to Whole Time Directors @10% of Net Profit for the Year:	1082.44	1011.52
9. Earning per Share:	2009-10	2008-09
	Rs.	Rs.
Total No. of Shares	4,42,89,530	4,42,89,530
Profit after Taxes and exceptional items	55,83,56,853	64,93,79,723
Earning per share	12.61	14.66

10. Segment Reporting:

The Company is predominantly engaged in the manufacture and sale of Oil Country Tubular Goods where the risks and returns associated with the product are uniform. Hence, the Company has identified the geographic segments as its primary segment for reporting. The geographic segments of the Company are America, Europe, India and Other Asian Countries.

Geographic Segment						
Particulars	America	African	Europe	India	Other Asian	Total
	33%	5%	1%	32%	29%	100%
Revenue	10897.13	1579.79	344.75	10580.58	9813.97	33216.22
Operating Expenses	7833.01	1186.82	237.36	7595.64	6883.55	23736.38
Unallocated Expenses	0.00	0.00	0.00	0.00	0.00	0.00
Operating Income	0.00	0.00	0.00	256.80	0.00	256.80
Non-Operating Income	0.00	0.00	0.00	0.00	0.00	0.00
Profit Before Tax	3064.13	392.97	107.39	3241.74	2930.41	9736.64
Tax	1370.52	207.65	41.53	1328.98	1204.39	4153.07
Net Profit	1693.61	185.32	65.86	1912.76	1726.02	5583.57
Fixed Assets	0.00	0.00	0.00	0.00	0.00	8814.93
Current Assets	0.00	0.00	0.00	0.00	0.00	23121.21
Total Assets	0.00	0.00	0.00	0.00	0.00	31936.14
Segment Liabilities	0.00	0.00	0.00	0.00	0.00	0.00
Unallocated Liabilities	0.00	0.00	0.00	0.00	0.00	31936.14
Total Liabilities	0.00	0.00	0.00	0.00	0.00	31936.14

SCHEDULES



11. (A) In accordance with the Accounting Standard No.18, the details of related party transactions are as follows:

(Rs.in Lakhs)

SL. NO.	PARTICULARS OF THE PARTY	RELATIONSHIP	NATURE OF TRANSACTIONS	31.03.10	31.03.09
A	United Steel Allied Industries Pvt. Ltd.	Two of the Directors are interested	Maintenance of Plant & Machinery	74.92	76.20
			Material Loading and Un-Loading	241.92	223.64
B	V Max Studio & Advertising	Two of the Directors are related	Advertising, Printing, Web Designing, Maintenance of Software & Hardware and Supply of Stationery	47.83	49.52
C	Mrs. K. Indira	Two of the Directors are related	Rent for office premises	32.87	29.88
			Hire Charges for Tractors at Factory	1.44	1.44
D	Mrs. B. UshaSree	Two of the Directors are related	Rent for office premises	28.25	26.31
E	USAI FORGE PVT LTD.,	Two of the Directors are interested	Material Purchase	3081.18	---

- (B) Remuneration to Directors is as follows:

(Rs.in Lakhs)

SL. NO.	PARTICULARS OF THE PARTY	RELATIONSHIP	NATURE OF TRANSACTIONS	31.03.10	31.03.09
A	Sri K.Suryanarayana	Chairman	Remuneration as Chairman		
-		Related to Sri Sridhar Kamineni Managing Director		541.22	505.76
B	Sri Sridhar Kamineni	Managing Director	Remuneration as Managing Director		
		Related to Sri K.Suryanarayana Chairman		432.98	404.61
C	Sri K.G.Joshi	Director	Remuneration as Director	108.24	101.15

12. There are no due to any creditors constituting "Suppliers" within the meaning of Section 2 (n) of the Micro, Small and Medium Enterprises Development Act, 2006.

13. QUANTITATIVE INFORMATION REGARDING CAPACITIES AND PRODUCTION:

SL. NO.	CLASS OF GOODS	UNIT	ANNUAL INSTALLED CAPACITY QTY.	PRODUCTION DURING THE YEAR QTY.
A	Casing and Production Tubing (Coated / Uncoated)	M.T.	150000 (65000)	10277.78 (17661.02)
B	Drill Pipes (Coated / Uncoated)	M.T.	10000 (10000)	7955.03 (7407.31)
	TOTAL	M.T.	160000 (75000)	18232.81 (25068.33)

(Previous year figures are given in brackets)

TURNOVER AND STOCKS:

SL. NO.	CLASS OF GOODS	OPENING STOCK AS AT 01.04.2009		CLOSING STOCK AS AT 31.03.2010		TURNOVER AS AT 31.03.2010	
		QTY. IN M.T.	VALUE Rs. IN LAKHS	QTY. IN M.T.	VALUE Rs. IN LAKHS	QTY. IN M.T.	VALUE Rs. IN LAKHS
A	Casing and Production Tubing	2356.79 (604.59)	1399.98 (303.76)	76.64 (2356.79)	62.42 (1399.98)	12565.85 (15908.82)	12054.45 (18623.10)
B	Drill Pipes	705.26 (993.43)	813.36 (447.81)	168.80 (705.26)	377.45 (813.36)	8491.49 (7695.48)	18987.39 (22452.37)
C	Others (Drill Collars/ Oil Field Accessories)	- (-)	- (-)	- (-)	- (-)	- (-)	2664.89 (1504.39)
	TOTAL	3062.05 (1598.02)	2213.34 (751.57)	245.44 (3062.05)	439.87 (2213.34)	21057.34 (23604.30)	33706.73 (42579.86)

TDS on Reconditioning Jobs and Services Rs.0.83 lakhs.

(Previous year figures are given in brackets)

SCHEDULES



	31.03.2010		31.03.2009	
		Rs .in Lakhs		Rs .in Lakhs
14. CIF VALUE OF IMPORTS				
Raw Materials		8761.35		19183.70
Stores, Spares and Tools		142.86		955.77
15. RAW MATERIAL CONSUMPTION	Qty in M.T.		Qty in M.T.	
Casing and Production Tubing	16258.85	7767.39	17950.81	15270.81
Drill Pipes	1053.66	9078.17	5962.88	10500.37
RAW MATERIAL CONSUMPTION	Percent		Percent	
Imported	59.90	10091.24	76.09	19610.06
Indigenous	40.10	6754.32	23.91	6161.12
	100.00	16845.56	100.00	25771.18
16. STORES, SPARES & TOOLS CONSUMPTION	Percent		Percent	
Imported	29.27	368.85	55.66	688.79
Indigenous	70.73	891.44	44.34	548.72
	100.00	1260.29	100.00	1237.51
17. EXPENDITURE IN FOREIGN CURRENCY				
Travelling		53.22		70.56
Others		162.74		138.74
		215.96		209.3
18. EARNINGS IN FOREIGN CURRENCY				
FOB value of Exports		22635.64		20913.71
Domestic Sales (Deemed Exports)		9945.74		20175.55

19. Previous year figures have been regrouped wherever necessary.

Per our report attached
for **C.K.S. ASSOCIATES**
Chartered Accountants

P. Ganapati Rao
Partner
M.No.24113

For and on behalf of the Board of Directors
K.Suryanarayana
Chairman

Sridhar Kamineni
Managing Director

K.G. Joshi
Dato' Dr. Abdul Halim Bin Harun
Dr.T.S.Sethurathnam
Dr. N.S. Datar
K.V. Ravindra Reddy
Directors

Place : Hyderabad
Date : April 24, 2010

C.S. Rao
Company Secretary

CASH FLOW STATEMENT



[Rs. in Lakhs]

	Year Ended 31.03.2010	Year Ended 31.03.2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary Items	9736.64	9111.26
Adjustments for :		
Depreciation	698.63	747.89
Interest from Banks and Others	(76.90)	(52.50)
(Profit)/Loss on Sale of Assets	(0.00)	(9.29)
Interest on Working Capital Loans	173.38	213.74
Exchange rate fluctuation	(84.82)	157.78
Operating Profit before Working Capital Charges	10446.93	10168.88
Adjustments for :		
(Increase)/Decrease in Inventories	(284.93)	(5386.23)
(Increase)/Decrease in Sundry Debtors	(1324.79)	1616.22
(Increase)/Decrease in Other Current Assets	(52.43)	(29.49)
(Increase)/Decrease in Loans and Advances	(3818.47)	(3202.58)
Increase/(Decrease) in Current Liabilities	(1784.63)	4135.80
Increase/(Decrease) in Cash Credit Loans	(141.83)	510.48
Increase/(Decrease) in interest accrued	0.00	(22.93)
Cash Generated from Operations	3039.85	7790.15
Adjustments for :		
Interest on Working Capital Loans	(173.38)	(213.74)
Direct Taxes Paid	1.12	(0.03)
Total : (A)	2867.59	7576.38
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(3170.49)	(2786.26)
Capital Work in Progress	(1.75)	0.00
Sale of Fixed Assets	0.00	13.69
Interest Received	76.90	52.50
Total : (B)	(3095.34)	(2720.07)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Term Loans	0.00	(743.82)
Increase/(Decrease) in Investments	(720.40)	(2500.00)
Equity Dividend	(664.34)	0.00
Corporate Dividend Tax	(112.90)	0.00
Total : (C)	(1497.64)	(3243.82)
Net Increase/(Decrease) in Cash and Cash Equivalents (Total A + B + C)	(1725.39)	1612.49
Exchange rate fluctuation	84.82	(157.78)
Opening Balance of Cash and Cash Equivalents	2721.46	1266.75
Closing Balance of Cash and Cash Equivalents	1080.89	2721.46

For C K S Associates
Chartered Accountants

P.Ganapati Rao
Partner
M.No.24113

Place : Hyderabad
Date : 24th April, 2010

For and On Behalf of the Board of Directors

Sridhar Kamineni
Managing Director



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1	Registration No	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	State Code	<input type="text"/> <input type="text"/>
	Balance Sheet Date	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		
II	Capital raised during the year (Amounting Rs. Thousands)			
	Public issue	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	Rights issue	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
	Bonus issue	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	Private Placement	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
III	Position of Mobilisation and Deployment of Funds (Amounts in Rs. Thousands)			
	Total Liabilities	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	Total Assets	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
	Sources of Funds			
	Paid - up Capital	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	Reserves & Surplus	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
	Secured Loans	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	Unsecured Loans	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
	Application of Funds			
	Net fixed Assets	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	Investments	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
	Net Current Assets	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	Misc. Expenditure	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
	Accumulated Losses	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		
IV	Performance of Company (Amount in Rs. Thousands)			
	Turnover	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	Total Expenditure	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
	+ - Profit / Loss before Tax + -	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	Profit / Loss after tax	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
	(Please tick Appropriate box + for Profit, - for loss)			
	Earning per Share in Rs.	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	Dividend %	<input type="text"/> <input type="text"/>
V	Generic Names of Three Principal Products/Services of Company (as per monetary terms)			
	Item Code No.	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		
	(ITC Code)			
	Product Description			
		<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		
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