

# Oil Country Tubular Ltd.

'KAMINENI', 3<sup>rd</sup> Floor, King Koti, Hyderabad - 500001,  
Telangana, India. ☎ +91 40 2478 5555, Fax: +91 40 2475 9299  
CIN: L26932TG1985PLC005329, GSTIN: 36AAACO2290HIZJ



OCTL/SEC/11305/2018  
11<sup>th</sup> August, 2018

Bombay Stock Exchange Ltd  
BSE's Corporate Relationship Dept  
1<sup>ST</sup> Floor, New Trading Ring  
Routunga Building, P J Towers  
Dalal Street  
MUMBAI – 400 001

National Stock Exchange of India Ltd  
Exchange Plaza  
5<sup>TH</sup> Floor, Plot No: C/1  
G-Block, Bandra Karla Complex  
Bandra East  
MUMBAI – 400 051

Dear Sirs,

**Sub: 32<sup>nd</sup> Annual General Meeting (AGM) and voting results.**  
**Ref : BSE Scrip Code:500313; NSE Scrip Code: OILCOUNTUB.**

In continuation to our letter dated 17<sup>th</sup> July, 2018, please note that the 32<sup>nd</sup> Annual General Meeting of the Company was held on 11<sup>th</sup> August, 2018 and the business mentioned in the Notice dated 26.04.2018 were transacted.

In this regard, please find enclosed the following:

- 1) Summary of proceedings as required under Regulation 30, Part-A of Schedule-III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as Annexure-I.
- 2) Voting results as required under Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as Annexure-II.
- 3) Report of Scrutinizer dated 11<sup>th</sup> August, 2018, pursuant to Section 108 of the Companies Act, 2013 and Rule 20(4) (xii) of the Companies (Management and Administration) Rules, 2014.
- 4) Annual Report for the financial year 2017-18 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 duly approved and adopted by the shareholders as per the provisions of the Companies Act, 2013.

This is for your information and records.

Yours faithfully,  
For OIL COUNTRY TUBULAR LIMITED

  
Priyanka Garg  
Company Secretary

Encl: As above.

# Thirty Second Annual Report 2017-2018



**Oil Country Tubular Ltd.**  
India



|   |   |   |
|---|---|---|
| <b>BOARD OF DIRECTORS</b>                         | Mr. K Suryanarayana<br>Mr. Sridhar Kamineni<br>Mrs. K Indira<br>Dr. T S Sethurathnam<br>Mr. K V Ravindra Reddy<br>Mr. A P Vitthal   | Chairman<br>Managing Director<br>Director<br>Director<br>Director<br>Director |
| <b>COMPANY SECRETARY</b>                          | Mr. D. Suresh Babu (Upto 12.12.2017)  |   |
| <b>REGISTERED OFFICE</b>                          | "Kamineni",<br>3rd Floor, King Koti<br>Hyderabad - 500 001 (TG)<br>Phone No:040 - 2478 5555<br>Website : <a href="http://www.octlindia.com">www.octlindia.com</a><br>Email : <a href="mailto:demat@octlindia.com">demat@octlindia.com</a> |   |
| <b>BANKERS</b>                                    | State Bank of India<br>Allahabad Bank<br>Bank of Bahrain & Kuwait B.S.C.<br>Indian Overseas Bank  |   |
| <b>AUDITORS</b>                                   | G Nagendrasundaram & Co.,<br>Chartered Accountants<br>Flat No,B-502, Pasha Court<br>6-3-680; Somajiguda<br>Hyderabad - 500 082 (T.G.)   |   |
| <b>WORKS</b>                                      | Sreepuram<br>Narketpally Mandalam<br>Nalgonda Dist - 508 254 (T.G.)   |   |
| <b>REGISTRARS &amp; SHARE<br/>TRANSFER AGENTS</b> | XL Softech Systems Limited<br>3, Sagar Society, Road No.2<br>Banjara Hills<br>Hyderabad - 500 034 (T.G.)<br>Phone No: 040 - 2354 5913<br>Email: <a href="mailto:xlfield@gmail.com">xlfield@gmail.com</a>                                  |   |

# NOTICE TO MEMBERS



Notice is hereby given that the 32nd Annual General Meeting of Oil Country Tubular Limited will be held on Saturday, the 11th day of August, 2018 at 10.00 A.M. at One Continent Hotel, 4th Floor, Above Brand Factory, Beside TajMahal Hotel, Sky Diner Hall, 4-1-1001, Abids Road, Hyderabad – 500 001, to transact the following business :

## ORDINARY BUSINESS :

- 1) To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2018 and Balance Sheet as at that date together with Director's Report and Auditor's Report thereon.
- 2) To appoint a Director in place of K Indira (DIN:00332194), who retires by rotation and, being eligible, offers herself for re-appointment
- 3) To ratify the appointment of Statutory Auditors of the Company, 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 sections 139(9) and 142(1) and other applicable provisions, if any, of the Companies Act, 2013, read with rules made there under, the appointment of M/s G Nagendrasundaram & Co., Chartered Accountants (Firm's Regn. No. 05355S.), and Membership No.050283 approved in the 31st Annual General Meeting until 36th Annual General Meeting is hereby ratified in this Annual General Meeting till conclusion of next Annual General Meeting with remuneration as may be decided by the Board of Directors."

By Order of the Board of Directors  
For **Oil Country Tubular Limited**

Place : Hyderabad  
Date : April 26th, 2018

**K SURYANARAYANA**  
Chairman

## 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 8th August, 2018 to 11th August, 2018 (both days inclusive).
3. Unclaimed dividend for the year(s) 2010-11, 2011-12, 2012-13 and 2013-14 are held in separate Bank accounts and shareholders who have not received the dividend / encashed the warrants are advised to write to the Company with complete details. During the year, the Company has transferred unclaimed dividend amount of Rs. 55,78,002/- on 04.07.2017 out of dividend declared for the financial year 2009-10 to Investor Education and Protection Fund (IEPF) of the Central Government required under Section 125 of the Companies Act, 2013..

Pursuant to the Companies Act, 2013 equity shares of the shareholders whose dividend amount upto the year 2009-10 were transferred to Investor Education and Protection Fund (IEPF) of the Central Government required under section 125 of the Companies Act, 2013.

The Unclaimed Dividend Amount for the year 2010-11 is to be transferred to Investor Education and Protection Fund (IEPF) when it is determined in the month of July, 2018 on the completion of (7) Seven years. Members may please note that if dividend remains unpaid or unclaimed for a period of (7) seven years from the date when it is transferred to unpaid dividend accounts it shall be transferred to the IEPF as stated above.

4. Non-Resident Indian Shareholders are requested to inform the registrars, M/s. XL Softech Systems Limited immediately:
  - a) The change in the Residential status on return to India for permanent settlement.
  - b) The particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank, if not furnished earlier.



5. Corporate members intending to send their authorized representatives for this meeting, pursuant to section 113 of Companies Act, 2013, are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote on their behalf at the meeting.
6. Pursuant to the Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, additional information on Directors seeking appointment / reappointment at the meeting are annexed to this notice.
7. The Ministry of Corporate Affairs ("Ministry"), Government of India, has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. As per the Circular No.17/2011, dated 21.04.2011 and Circular No.18/2011, dated 29.04.2011 issued by the Ministry of Corporate Affairs, under Green initiative in the Corporate Governance all the members are requested to intimate their e-mail address to the Company's Registrar and Transfer Agents whose e-mail id is [xlfield@gmail.com](mailto:xlfield@gmail.com) mentioning the Company's name i.e., Oil Country Tubular Ltd (OCTL), so as to enable the company to send the Annual Report and Accounts, Notices and other documents through Electronic Mode to their e-mail address.

Notices/documents including the Annual Report are now being sent by electronic mode to the shareholders whose e-mail address has been registered with the Company. Members who have not registered their e-mail addresses so far or who would like to update their e-mail addresses already registered, are requested to register/update their e-mail addresses :

- in respect of electronic shareholding - through their respective Depository Participants;
- in respect of physical shareholding - by sending a request to the Company's Share Transfer Agent at [xlfield@gmail.com](mailto:xlfield@gmail.com), mentioning therein the Company's name i.e., Oil Country Tubular Ltd (OCTL), their folio number and e-mail address.

The Annual Report 2017-18 of the Company is also available on the website of the Company [www.octlindia.com](http://www.octlindia.com)

8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.
9. Members are requested to bring their copies of Annual Report to the meeting, as the same will not be supplied again at the meeting as a measure of economy.
10. Pursuant to the prohibition imposed vide Secretarial Standard on General Meetings (SS-2) issued by the ICSI and the MCA circular, no gifts / coupons shall be distributed at the Meeting.
11. Pursuant to the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the company is providing e-voting facility to enable shareholders to cast their vote electronically on all the resolutions set forth in the Notice of the 32nd Annual General Meeting to be held on Saturday, the 11th August, 2018 at 10.00 a.m..

The Company has engaged the services of Central Depository Services (India) Limited to provide e-voting platform to the shareholders.

Please refer to the detailed instructions on e-voting at page nos. 66-68 of the Annual Report 2017-18. Shareholders holding shares in demat form and shareholders who have registered their email id with the company will also receive the e-voting instructions by email.

By Order of the Board of Directors  
For **Oil Country Tubular Limited**

**K SURYANARAYANA**  
Chairman

Place : Hyderabad  
Date : April 26th, 2018



(Pursuant to section 139(2)(b) of the Companies Act, 2013)

**Item No. 3:**

The Board of Directors in their 186th meeting held on 25th May, 2017 have approved the appointment of M/s.G.Nagendrasundaram & Co., Firm Registration No.005355S and Membership No.050283 having office at Flat No.B-502, Pasha Court, 6-3-680, Somajiguda, Hyderabad-500 082 as Auditors for a period of five years subject to approval of the shareholders and ratification by the shareholders every year at the Annual General Meeting.

The Resolution is recommend for your approval.

None of the Directors and Key Managerial Personnel of the Company are interested in the resolution.

**ANNEXURE-I  
DETAILS OF DIRECTORS SEEKING APPOINTMENT/  
RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING**

(Pursuant to Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015,the brief profile of Directors eligible for re-appointment vide item no. 2 is as follows:)

|  |   |
|--|---|
| <b>Name of the Director</b>  | <b>Mrs. K. Indira</b>   |
| Date of Birth  | 01-07-1939  |
| Date of Appointment  | 23-07-2014  |
| Qualifications   | Educationist and Philanthropist   |
| Expertise in specific functional areas   | She is the Vice President of Kamineni Education Society and has made significant contributions in the field of education and healthcare besides other philanthropic activities for upliftment of backward and weaker sections of the Society. She is fully involved in the growth and development of various Educational and Healthcare Institutions. |
| List of Companies in which outside Directorship held as on 31.03.2018                              | Nil   |
| Chairman/Member of the Committees of other Companies on which he/ she is a Member as on 31.03.2018 | Nil   |
| Number of equity shares held in the Company  | 2,10,000  |



## To the Members,

The Directors have pleasure in presenting before you the 32nd Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2018.

## FINANCIAL RESULTS :

The performance during the period ended 31st March, 2018 has been as under:

( In Lakhs)

| S.No. | Particulars                                      | 2017-18   | 2016-17    |
|-------|--|-----------|------------|
| 1     | Gross Income                                     | 1178.54   | 1277.31    |
| 2     | Profit / (Loss) Before Interest and Depreciation | (1404.30) | (6315.29)  |
| 3     | Finance Charges                                  | 1959.96   | 1829.25    |
| 4     | Gross Profit / (Loss)                            | (3364.26) | (8144.54)  |
| 5     | Provision for Depreciation                       | 2163.13   | 2207.85    |
| 6     | Net Profit / (Loss) Before Tax                   | (5527.39) | (10352.39) |
| 7     | Provision for Tax                                | (1825.04) | (1572.69)  |
| 8     | Net Profit / (Loss) After Tax                    | (3702.35) | (8779.70)  |
| 9     | Balance of Profit brought forward                | -         | -          |
| 10    | Balance available for appropriation              | (3702.35) | (8779.70)  |
| 11    | Transfer to General Reserve                      | 3702.35   | 8779.70    |

## OPERATIONS:

The gross income of the Company is ₹11.78 Crores during the current financial year 2017-18 as against ₹12.77 Crores during the previous financial year. The very low turnover is due to the abnormal delay in finalization of tenders by the customers on account of changes in Government of India's policy to encourage indigenous manufacturers under the Make in India Policy. Major tenders were finalized by the customers during the last quarter of financial year 2017-18 only and hence low turnover during current financial year 2017-18.

## PROSPECTS:

The order book position of the Company stood at ₹270 Crores as at 31st March, 2018. The raw materials procurement against new orders are in place and expected to be received in first quarter of 2018-19. The manufacturing will be taken up thereafter. The Company expects a turnover of around ₹150 Crores during the financial year 2018-19.

The Exploration and Drilling Activities world over has shown an increase with rise in the crude oil prices, now at 74 USD/ Barrel, thereby increasing the requirement of Tubulars and Drilling Products. In India, the Exploration and Drilling activities continue to remain at steady levels and more drilling and exploration activities are expected with the rise in the crude oil prices.

The Government of India has issued the Steel Policy for Domestically Manufactured Iron and Steel Products, including the Seamless Pipes, under the Make in India Policy. Under the Steel Policy, minimum value addition of 15% has been prescribed with input material to be sourced indigenously. The Processors of the Seamless Pipes have to procure the green pipes from the seamless pipe manufacturers in India.

These Policy changes under Make in India Policy will give the necessary thrust to the domestic Industry including Oil & Gas Sector and indigenous manufacturers of various Tubulars and the Company's products required for the Industry.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

As required under Regulations of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report is enclosed as a part of this report.

## CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

Your Company has taken adequate steps to adhere to all the stipulations laid down in Reg. 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. A report on Corporate Governance is included as a part of this Annual Report. Certificate from the Statutory Auditors of the company M/s G Nagendrasundaram & Co., Chartered Accountants confirming the compliance with the conditions of Corporate Governance as stipulated under above regulation is included as a part of this report.

## LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the year 2018-19 to NSE and BSE where the Company's Shares are listed.



## DEMATERIALIZATION OF SHARES:

96.29% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2018 and balance 3.71% is in physical form. The Company's Registrars are M/s XL Softech Systems Ltd., having their registered office at 3 Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500 034.

## Number of Board Meetings held :

The Board of Directors duly met 5 times during the financial year from 1st April, 2017 to 31st March, 2018. The dates on which the meetings were held are as follows: 25th May, 2017, 10th August, 2017, 9th November, 2017, 8th February, 2018 and 24th February, 2018.

## DIRECTORS:

### Appointment by rotation :

In accordance with the provisions of the Companies Act, 2013 read with the Articles of Association of the Company Mrs. K Indira, Director of the Company will retire by rotation at this meeting and being eligible, has offered herself for re-appointment.

### Independent Directors Declaration :

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

## DIRECTORS RESPONSIBILITY STATEMENT :

Pursuant to Section 134(5) of the Companies Act, 2013, Directors of your Company hereby state and confirm that:

- a) in the preparation of the annual accounts for the year ended 31st March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit / (Loss) of the company for the same period;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls in the company that are adequate and were operating effectively;
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

## AUDIT OBSERVATIONS :

Auditors' observations are suitably explained in notes to the Accounts and are self-explanatory. The Company has taken steps, to make payment of Service Tax for which provision has been made in the Balance Sheet and regularize the Working Capital overdues.

## AUDITORS:

### i) Statutory Auditors :

M/s.G.Nagendrasundaram & Co., Chartered Accountants, Hyderabad, Statutory Auditors have been appointed for a period of Five Years at the 31st Annual General Meeting until 36th Annual General Meeting subject to ratification every year at the conclusion of next Annual General Meeting.

### ii) Cost Auditors :

The Company is required to appoint Cost Auditors, if the turnover of the Company is more than Rs.100 Crores in the previous year. Since the turnover of the Company is far below .100 Crores threshold during the year 2017-18. The Cost Auditors are not required to be appointed for the year 2018-19.

### iii) Secretarial Audit :

Ms.Manjula Aleti, Practicing Company Secretary in practice was appointed as Secretarial Auditor to conduct the Secretarial Audit of the Company for the year 31st March, 2018 as per the section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report for the year ended 31st March, 2018 (in Form MR-3) submitted by Company Secretary in Practice is enclosed as a part of this report Annexure-A.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

Information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is given in the Annexure-B to this report.

## CORPORATE SOCIAL RESPONSIBILITY (CSR) :

In terms of section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors of your Company have constituted a CSR Committee. The Committee comprises of all Independent Directors. CSR Committee of the Board has developed a CSR Policy under Health care and Education activities which are enclosed as part of this report Annexure-C. Additionally, the CSR Policy has been uploaded on the website of the Company at [www.octindia.com](http://www.octindia.com) under investors/ policy documents/CSR Policy link.

## VIGIL MECHANISM :

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to





report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at [www.octlindia.com](http://www.octlindia.com) under investors / policy documents / Vigil Mechanism Policy link.

## RELATED PARTY TRANSACTIONS :

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its omnibus approval and the particulars of contracts entered during the year as per Form AOC-2 is enclosed as Annexure-D.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013, the Rules thereunder and the Listing Agreement. This Policy was considered and approved by the Board has been uploaded on the website of the Company at [www.octlindia.com](http://www.octlindia.com) under investors/ policy documents/Related Party Policy link.

## EXTRACT OF ANNUAL RETURN :

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as Annexure-E.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

## REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES:

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, in respect of employees of the Company and Directors is furnished hereunder:

### 1) Details of percentage increase in the remuneration paid to Key Managerial Personnel (KMP)

| S. No | Name                  | Designation                          | Remuneration paid FY 2017-18<br>( Lakhs) | Remuneration paid FY 2016-17<br>( Lakhs) | Increase in (%) |
|-------|-----------------------|--------------------------------------|--|--|-----------------|
| 1     | Mr. K.Suryanarayana   | Executive Chairman                   | 39.12                                    | 39.12                                    | 0               |
| 2     | Mr. Sridhar Kamineni  | Managing Director (KMP)              | 49.44                                    | 49.44                                    | 0               |
| 3     | Mr. Ch.Venkata Sastry | CFO (KMP)                            | 8.46                                     | 8.46                                     | 0               |
| 4     | Ms. Ramya Inala       | CS (KMP)<br>(Resigned on 31-03-2017) | 0.00                                     | 1.76                                     | 0               |
| 5     | Mr. D Suresh Babu     | CS (KMP)<br>(Resigned on 12-12-2017) | 1.16                                     | 0.00                                     | 0               |

### 2) Particulars of Employees:

As required under the provisions of Companies Act, 2013 and Rule 5(2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, there are no employees falling under the category thus no information is required to be given in the report.

## DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY:

The Company has been addressing various risks impacting the Company and the policy of the Company on risk management is provided elsewhere in this annual report in Management Discussion and Analysis.

## 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 and Drilling, 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 Engineers and Employees of the Company at all levels.

By Order of the Board of Directors  
For Oil Country Tubular Limited

**K SURYANARAYANA**  
Chairman

Place : Hyderabad  
Date : April 26th, 2018

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

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

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018**

To  
The Members  
Oil Country Tubular Limited  
CIN: L26932TG1985PLC005329  
"Kamineni" 3rd Floor,  
King Koti,  
Hyderabad -500001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Oil Country Tubular Limited (hereinafter called the "company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on my verification of the company's 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. I hereby report that in my opinion, the company has, during the audit period covering the financial year ended 31st March, 2018, 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, returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 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'):-
  - a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - b. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not applicable to the Company under the financial year under report:

- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- d. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ;
- g. 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;

I further report that the following are other laws specifically applicable to the Company:

- a. Factories Act, 1948;
- b. Industrial Disputes Act, 1947;

- c. The Payment of wages Act, 1936;
- d. The Minimum Wages Act, 1948;
- e. The Employees Compensation Act, 1923;
- f. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952;
- g. The Payment of Bonus Act, 1965;
- h. Equal Remuneration Act, 1976;
- i. The Environment (Protection) Act, 1986;
- j. The water (Prevention & Control of Pollution) Act, 1974;
- k. Acts as prescribed under Direct tax and Indirect Tax;
- l. Land Revenue laws of the State of Telangana;
- m. Labour Welfare Act of the State of Telangana;
- n. The Hazardous waste (Management, Handling and Transboundary Movement) Rules, 2008.

I report that the applicable financial laws, such as the Direct and Indirect Tax Laws, have not been reviewed under my audit as the same falls under the review of statutory audit and by other designated professionals

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

- i) Secretarial Standards issued by the Institute of Company Secretaries of India (Standards)
- ii) Listing Regulations and uniform Listing Agreement entered into by the company with the BSE Ltd and National Stock Exchange of India Limited and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, rules, Regulations, Guidelines, Standards, in respect of the above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors took place during the period under review.

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 and other business which are not included in the Agenda.

All decisions at Board Meeting and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or committee of the Board, as the case may be.

I further report that, as per the explanations given to us and the representation made by the Management and relied upon by me, 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.

I further report that, during the audit period under review the company has:

- i) Proposed to pass a Special Resolution for sale of its Processing Plant -2 to any person / Body Corporate pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013, with respect to the above the Notice given to the Members under section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration Rules), 2014.

For **MANJULA ALETI**  
Company Secretary in Practice

Place : Hyderabad  
Date : April 26th, 2018

**CS Manjula A**  
M.No : 31661  
COP : 13279

**Note:** This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.



To  
The Members  
Oil Country Tubular Limited  
CIN: L26932TG1985PLC005329  
"Kamineni" 3rd Floor,  
King Koti,  
Hyderabad -500001

My report of even date is to be read along with this letter:

**Management Responsibility:**

1. It is the responsibility of the management of the company to maintain Secretarial records, devise proper system to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

**Auditor's Responsibility:**

2. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the company with respect to secretarial compliances.
3. I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for me to provide a basis for my opinion.
4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
5. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

**Disclaimer:**

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 **MANJULA ALETI**  
Company Secretary in Practice

Place : Hyderabad  
Date : April 26th, 2018

**CS Manjula A**  
M.No : 31661  
COP : 13279

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO ETC :**

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder :

**(A) Conservation of Energy :**

- (i) the steps taken or impact on conservation of energy : Energy conservation continues to receive priority attention at all levels. All efforts are made to conserve and optimise use of energy with continuous monitoring, improvement in maintenance and distribution systems and through improved operational techniques.
- (ii) the steps taken by the company for utilising alternate sources of energy
- (iii) the capital investment on energy conservation equipments;

**(B) Technology absorption :**

- (i) the efforts made towards technology absorption; : Updation of Technology is a Continuous process, absorption implemented and adapted by the Company for innovation. Efforts are continuously made to develop new products required in the Engineering Industry & in the Oil and Gas Industry.
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution; : The Company has been able to successfully indigenize the toolings to a large extent and successfully developed new products by virtue of technology absorption, adaptation and innovation.
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) : Not applicable since 5 years period is over
- (a) the details of technology imported;
- (b) the year of import;
- (c) whether the technology been fully absorbed;
- (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;
- (iv) the expenditure incurred on Research and Development. : The Major achievement by the Company due to their continuous Research and Development activities is indigenization of Toolings, improvements in the manufacturing processes and operation procedures and development of new products.

**Expenditure on R&D**

( in lakhs)

| S.No. | Particulars   | 2017-18 | 2016-17 |
|-------|---|---------|---------|
| A     | Capital   | -       | -       |
| B     | Recurring   | -       | -       |
| C     | Total   | -       | -       |
| D     | Total R&D expenditure as a percentage of total turnover | -       | -       |

## CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted Corporate Social Responsibility Committee (CSR) pursuant to provisions of section 135 of Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014. The details are provided herein below :

## ANNEXURE

|    |   |   |   |
|----|---|---|---|
| 1. | A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs. | : | CSR policy of the Company has been uploaded on the Company's website www.octlindia.com under investors/policy documents/CSR Policy link. The projects approved by CSR Committee in the past few years relate to healthcare and education. |
| 2. | The Composition of the CSR Committee.   | : | All the Members of CSR Committee are Independent Directors.<br>Dr. T S Sethurathnam - Chairman<br>Mr. K V Ravindra Reddy - Member<br>Mr. A P Vitthal - Member   |
| 3. | Average net profit of the company for last three financial years.   | : | Average net profit of NIL<br>(Due to the Losses of last three financial years, there is no CSR expenditure to be spent during the Financial year 2017-18).  |
| 4. | Prescribed CSR Expenditure (two per cent of the amount as in item 3 above).   | : | NIL   |
| 5. | A. Carry forward CSR Amount FY 2016-17<br>B. CSR during the FY 2017-18<br>C. CSR spent during the FY 2017-18<br>D. Un spent amount as on FY 2017-18 (A+B-C)                                   | : | 10,04,836/-<br>NIL<br>NIL<br>10,04,836/-  |

## (c) Manner in which the amount spent during the financial year is detailed below.

| (1)   | (2)                                 | (3)                                     | (4)  | (5)   | (6)   | (7)   | (8)   |
|-------|-------------------------------------|---|--|---|---|---|---|
| S. No | CSR project or activity identified. | Sector In which The Project Is Covered. | Projects or programs<br>1) Local area or other<br>2) Specify the State and district where projects or programs was undertaken. | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs<br><br>Sub-heads:<br>(1) Direct on projects or programs-<br>(2) Overheads: | Cumulative Expenditure upto the reporting Period. | Amount spent Direct or through implementing Agency. |
| -     | -                                   | -                                       | -  | NIL   | -   | -   | -   |

## ANNEXURE-D

## FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso is given below :

## 1. Details of contracts or arrangements or transactions not at Arm's length basis during the year :

NIL

## 2. Details of contracts or arrangements or transactions at Arm's length basis during the year:

NIL



**EXTRACT OF ANNUAL RETURN  
FORM NO. MGT 9**

**as on financial year ended on 31.03.2018**

(Pursuant to Section 92 (3) of the Companies Act, 2013 and  
Rule 12(1) of the Company (Management & Administration) Rules, 2014.)

| <b>I. REGISTRATION &amp; OTHER DETAILS :</b> |   |   |  |
|--|---|---|--|
| i  | CIN   | : | L26932TG1985PLC005329  |
| ii   | Registration Date   | : | 22-02-1985   |
| iii  | Name of the Company   | : | OIL COUNTRY TUBULAR LIMITED  |
| iv   | Category/Sub-category of the Company  | : | Company having Share Capital   |
| v  | Address of the Registered office & contact details                          | : | "KAMINENI",<br>3rd Floor, King Koti,<br>Hyderabad - 500 001, Telangana<br>Ph: 040-2478 5555.<br>Fax: 040-2475 9299                                       |
| vi   | Whether listed company  | : | Yes (Listed in BSE and NSE)  |
| vii  | Name , Address & contact details of the Registrar & Transfer Agent, if any. | : | XL Softech Systems Limited<br>3, Sagar Society, Road No.2, Banjara Hills,<br>Hyderabad - 500 034<br>Phone No: 040 - 2354 5913<br>Email:xlfield@gmail.com |

**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

| SL No | Name & Description of main products/services  | NIC Code of the Product /service | % to total turnover of the company |
|-------|---|----------------------------------|------------------------------------|
| 1     | Casing, Tubing and Drill Pipe of a kind used in the Drilling for Oil and Gas, Seamless of Steel (nec) | 4128299                          | 100%                               |

**III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES :**

| SI No | Name & Address of the Company | CIN/GLN | HOLDING/<br>SUBSIDIARY/<br>ASSOCIATE | % OF<br>SHARES<br>HELD | APPLICABLE<br>SECTION |
|-------|-------------------------------|---------|--------------------------------------|------------------------|-----------------------|
|       | NIL                           |         |                                      |                        |                       |



## IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

| Category of Shareholders                                   | No. of Shares held at the beginning of the year |          |                    | No. of Shares held at the end of the year |                    |          | % change during the year |              |                   |
|--|---|----------|--------------------|---|--------------------|----------|--------------------------|--------------|-------------------|
|  | Demat   | Physical | Total              | % of Total Shares                         | Demat              | Physical |                          | Total        | % of Total Shares |
| <b>A. Promoters</b>  |   |          |                    |   |                    |          |                          |              |                   |
| (1) Indian   |   |          |                    |   |                    |          |                          |              |                   |
| a) Individual/HUF  | 72,10,266                                       | 0        | 72,10,266          | 16.28                                     | 72,10,266          | 0        | 72,10,266                | 16.28        | 0                 |
| b) Central Govt. or State Govt.                            | 0   | 0        | 0                  | 0   | 0                  | 0        | 0                        | 0            | 0                 |
| c) Bodies Corporates                                       | 1,45,89,165                                     | 0        | 1,45,89,165        | 32.94                                     | 1,45,89,165        | 0        | 1,45,89,165              | 32.94        | 0                 |
| d) Bank/FI   | 0   | 0        | 0                  | 0   | 0                  | 0        | 0                        | 0            | 0                 |
| e) Any other   | 0   | 0        | 0                  | 0   | 0                  | 0        | 0                        | 0            | 0                 |
| <b>SUB TOTAL : (A) (1)</b>                                 | <b>2,17,99,431</b>                              | <b>0</b> | <b>2,17,99,431</b> | <b>49.22</b>                              | <b>2,17,99,431</b> | <b>0</b> | <b>2,17,99,431</b>       | <b>49.22</b> | <b>0</b>          |
|  |   |          |                    |   |                    |          |                          |              |                   |
| <b>(2) Foreign</b>   |   |          |                    |   |                    |          |                          |              |                   |
| a) NRI- Individuals  | 0   | 0        | 0                  | 0   | 0                  | 0        | 0                        | 0            | 0                 |
| b) Other Individuals                                       | 0   | 0        | 0                  | 0   | 0                  | 0        | 0                        | 0            | 0                 |
| c) Bodies Corp.  | 0   | 0        | 0                  | 0   | 0                  | 0        | 0                        | 0            | 0                 |
| d) Banks/FI  | 0   | 0        | 0                  | 0   | 0                  | 0        | 0                        | 0            | 0                 |
| e) Any other...  | 0   | 0        | 0                  | 0   | 0                  | 0        | 0                        | 0            | 0                 |
| <b>SUB TOTAL (A) (2)</b>                                   | <b>0</b>  | <b>0</b> | <b>0</b>           | <b>0</b>                                  | <b>0</b>           | <b>0</b> | <b>0</b>                 | <b>0</b>     | <b>0</b>          |
| <b>Total Shareholding of Promoter (A)= (A)/(1)+(A)/(2)</b> | <b>2,17,99,431</b>                              | <b>0</b> | <b>2,17,99,431</b> | <b>49.22</b>                              | <b>2,17,99,431</b> | <b>0</b> | <b>2,17,99,431</b>       | <b>49.22</b> | <b>0</b>          |





| Category of Shareholders  | No. of Shares held at the beginning of the year |                  |                    |                   | No. of Shares held at the end of the year |                  |                    |                   | % change during the year |               |
|---|---|------------------|--------------------|-------------------|---|------------------|--------------------|-------------------|--------------------------|---------------|
|   | Demat   | Physical         | Total              | % of Total Shares | Demat                                     | Physical         | Total              | % of Total Shares |                          |               |
| <b>B. PUBLIC SHAREHOLDING</b>   |   |                  |                    |                   |   |                  |                    |                   |                          |               |
| <b>(1) Institutions</b>   |   |                  |                    |                   |   |                  |                    |                   |                          |               |
| a) Mutual Funds   | 2,930   | 27,200           | 30,130             | 0.07              | 2,930                                     | 21,700           | 24,630             | 0.06              | (5,500)                  | (0.01)        |
| b) Banks/FI   | 1,000   | 26,400           | 27,400             | 0.06              | 41,972                                    | 25,700           | 67,672             | 0.15              | 40,272                   | 0.09          |
| C) Central govt   | 0   | 0                | 0                  | 0                 | 0   | 0                | 0                  | 0                 | 0                        | 0             |
| d) State Govt.  | 0   | 0                | 0                  | 0                 | 0   | 0                | 0                  | 0                 | 0                        | 0             |
| e) Venture Capital Fund   | 0   | 0                | 0                  | 0                 | 0   | 0                | 0                  | 0                 | 0                        | 0             |
| f) Insurance Companies  | 0   | 0                | 0                  | 0                 | 0   | 0                | 0                  | 0                 | 0                        | 0             |
| g) FIIS   | 5,400   | 0                | 5,400              | 0.01              | 5,400                                     | 0                | 5,400              | 0.01              | 0                        | 0             |
| h) Foreign Venture Capital Funds  | 0   | 0                | 0                  | 0                 | 0   | 0                | 0                  | 0                 | 0                        | 0             |
| i) Others (specify)   | 0   | 0                | 0                  | 0                 | 0   | 0                | 0                  | 0                 | 0                        | 0             |
| <b>SUB TOTAL (B)(1):</b>  | <b>9,330</b>                                    | <b>53,600</b>    | <b>62,930</b>      | <b>0.14</b>       | <b>50,302</b>                             | <b>53,600</b>    | <b>97,702</b>      | <b>0.22</b>       | <b>34,772</b>            | <b>0.08</b>   |
| <b>(2) Non Institutions</b>   |   |                  |                    |                   |   |                  |                    |                   |                          |               |
| a) Bodies corporates  | 11,85,916                                       | 19,711           | 12,05,627          | 2.72              | 17,10,380                                 | 11,481           | 17,21,861          | 3.89              | 5,16,234                 | 1.16          |
| b) Individuals  |   |                  |                    |                   |   |                  |                    |                   |                          |               |
| i) Individual shareholders holding nominal share capital upto Rs.1 lakhs            | 58,09,091                                       | 20,82,474        | 78,91,565          | 17.82             | 60,78,222                                 | 14,21,641        | 74,99,863          | 16.93             | (3,91,702)               | (0.88)        |
| ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs | 31,47,607                                       | 0                | 31,47,607          | 7.11              | 24,63,817                                 | 0                | 24,63,817          | 5.56              | (6,83,790)               | (1.54)        |
| c) Any Other (specify) NRIs   | 17,91,791                                       | 2,94,479         | 20,86,270          | 4.71              | 16,80,612                                 | 1,61,500         | 18,42,112          | 4.16              | (2,44,158)               | (0.55)        |
| d) Foreign Bodies Corporate   | 65,99,100                                       | 14,97,000        | 80,96,100          | 18.28             | 65,99,100                                 | 0                | 65,99,100          | 14.90             | (14,97,000)              | (3.38)        |
| e) IEPF   | 0   | 0                | 0                  | 0                 | 22,65,644                                 | 0                | 22,65,644          | 5.11              | 22,65,644                | 5.11          |
| <b>SUB TOTAL (B)(2):</b>  | <b>1,85,33,505</b>                              | <b>38,93,664</b> | <b>2,24,27,169</b> | <b>50.64</b>      | <b>2,07,97,775</b>                        | <b>15,94,622</b> | <b>2,23,92,397</b> | <b>50.55</b>      | <b>(34,772)</b>          | <b>(0.08)</b> |
| <b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>                                 | <b>1,85,42,835</b>                              | <b>39,47,264</b> | <b>2,24,90,099</b> | <b>50.78</b>      | <b>2,08,48,077</b>                        | <b>16,42,022</b> | <b>2,24,90,099</b> | <b>50.78</b>      | <b>0</b>                 | <b>0</b>      |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                              | <b>0</b>  | <b>0</b>         | <b>0</b>           | <b>0</b>          | <b>0</b>                                  | <b>0</b>         | <b>0</b>           | <b>0</b>          | <b>0</b>                 | <b>0</b>      |
| <b>Grand Total (A+B+C)</b>  | <b>4,03,42,266</b>                              | <b>41,57,616</b> | <b>4,42,89,530</b> | <b>100.00</b>     | <b>4,03,42,266</b>                        | <b>41,57,616</b> | <b>4,42,89,530</b> | <b>100.00</b>     | <b>0</b>                 | <b>0</b>      |



## (ii) SHARE HOLDING OF PROMOTERS :

| Sl No. | Shareholders Name                          | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % change in share holding during the year |
|--------|--|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
|        |  | No of shares                              | % of total shares of the company | % of shares pledged encumbered to total shares | No of shares                        | % of total shares of the company | % of shares pledged encumbered to total shares |   |
| 1      | M/s United Steel Allied Industries (P) Ltd | 1,44,89,165                               | 32.72                            | 0  | 1,44,89,165                         | 32.72                            | 0  | 0   |
| 2      | M/s Kamineni Health Services (P) Ltd       | 1,00,000                                  | 0.23                             | 0  | 1,00,000                            | 0.23                             | 0  | 0   |
| 3      | Mr.K Suryanarayana                         | 3,600                                     | 0.008                            | 0  | 3,600                               | 0.008                            | 0  | 0   |
| 4      | Mrs. K Indira                              | 2,10,000                                  | 0.47                             | 0  | 2,10,000                            | 0.47                             | 0  | 0   |
| 5      | Dr. K Shashidhar                           | 5,000                                     | 0.01                             | 0  | 5,000                               | 0.01                             | 0  | 0   |
| 6      | Mrs. K Satya Sree                          | 6,24,000                                  | 1.41                             | 0  | 6,24,000                            | 1.41                             | 0  | 0   |
| 7      | Mrs. B Ushasree                            | 6,24,000                                  | 1.41                             | 0  | 6,24,000                            | 1.41                             | 0  | 0   |
| 8      | Mr. K Sridhar                              | 4,666                                     | 0.01                             | 0  | 4,666                               | 0.01                             | 0  | 0   |
| 9      | Mrs. K Vasundhara                          | 2,80,000                                  | 0.63                             | 0  | 2,80,000                            | 0.63                             | 0  | 0   |
| 10     | Mrs. K Seemanthini                         | 6,24,000                                  | 1.41                             | 0  | 6,24,000                            | 1.41                             | 0  | 0   |
| 11     | Mrs. K Gayatri Devi                        | 6,71,000                                  | 1.515                            | 0  | 6,71,000                            | 1.515                            | 0  | 0   |
| 12     | Mrs. Sri Puja Kamineni                     | 4,99,000                                  | 1.127                            | 0  | 4,99,000                            | 1.127                            | 0  | 0   |
| 13     | Mrs. Pavani Bandaru                        | 4,99,000                                  | 1.127                            | 0  | 4,99,000                            | 1.127                            | 0  | 0   |
| 14     | Ms. K Bhargavi                             | 6,71,000                                  | 1.515                            | 0  | 6,71,000                            | 1.515                            | 0  | 0   |
| 15     | Mr. B Sri Aditya                           | 4,99,000                                  | 1.127                            | 0  | 4,99,000                            | 1.127                            | 0  | 0   |
| 16     | Mr. Sai Surya Kiran Kamineni               | 4,99,000                                  | 1.127                            | 0  | 4,99,000                            | 1.127                            | 0  | 0   |
| 17     | Mrs. K Sri Vaishnavi                       | 4,99,000                                  | 1.127                            | 0  | 4,99,000                            | 1.127                            | 0  | 0   |
| 18     | Ms. K Indira Devi                          | 4,99,000                                  | 1.127                            | 0  | 4,99,000                            | 1.127                            | 0  | 0   |
| 19     | Mr. K Siva Surya Teja                      | 4,99,000                                  | 1.127                            | 0  | 4,99,000                            | 1.127                            | 0  | 0   |
|        | <b>Total</b>                               | <b>2,17,99,431</b>                        | <b>49.22</b>                     |  | <b>2,17,99,431</b>                  | <b>49.22</b>                     | <b>0</b>                                       | <b>0</b>                                  |

## (iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE) :

| Sl. No |  | 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 |
| 1      | At the beginning of the year   | 2,17,99,431                               | 49.22                            | 2,17,99,431                             | 49.22                            |
| 2      | Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.) | 0   | 0                                | 0                                       | 0                                |
| 3      | At the end of the year   | 2,17,99,431                               | 49.22                            | 2,17,99,431                             | 49.22                            |

## (iv) Shareholding Pattern of top ten Shareholders

(other than Directors, Promoters &amp; Holders of GDRs &amp; ADRs) :

| Sl. No | For Each of the Top 10 Shareholders    | 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 |
| 1      | UMW India Ventures (I) Ltd             | 65,99,100                                 | 14.90                            | 65,99,100                               | 14.90                            |
| 2      | Investor Education and Protection Fund | 0   | 0                                | 22,65,644                               | 5.12                             |
| 3      | Tam Trade Ltd                          | 14,97,000                                 | 3.38                             | 0                                       | 0                                |
| 4      | Kumar Lalchand Gandhi                  | 9,08,800                                  | 2.05                             | 9,08,800                                | 2.05                             |
| 5      | JM Financial Services Ltd              | 0   | 0                                | 3,66,924                                | 0.83                             |
| 6      | Raj Kuraparti Reddy                    | 3,39,527                                  | 0.77                             | 3,39,527                                | 0.77                             |
| 7      | Gajendrakumar Punamchand Malu          | 3,18,108                                  | 0.72                             | 3,18,108                                | 0.72                             |
| 8      | Venkat Annapareddy                     | 2,43,985                                  | 0.55                             | 2,43,985                                | 0.55                             |
| 9      | Mrigank Dhanuka                        | 2,34,874                                  | 0.53                             | 0                                       | 0                                |
| 10     | Chandra Kumar Dhanuka                  | 2,05,000                                  | 0.46                             | 2,05,000                                | 0.46                             |



## (v) Shareholding of Directors and Key Managerial Personnel :

| Sl. No | For Each of the Directors & KMP                   | Shareholding at the end 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 |
| 1.     | <b>Shareholding of Key Managerial Personnel :</b> |                                     |                                  |   |                                  |
|        | <b>Mr. Sridhar Kamineni</b>                       |                                     |                                  |   |                                  |
|        | At the beginning of the year                      | 4,666                               | 0.01                             | 4,666                                   | 0.01                             |
|        | Transfer to Promoter Group                        | -                                   | -                                | -                                       | -                                |
|        | At the end of the year                            | 4,666                               | 0.01                             | 4,666                                   | 0.01                             |
| 2.     | <b>Mr.Ch Venkata Sastry</b>                       |                                     |                                  |   |                                  |
|        | At the beginning of the year                      | Nil                                 | Nil                              | Nil                                     | Nil                              |
|        | At the end of the year                            | Nil                                 | Nil                              | Nil                                     | Nil                              |
| 3.     | <b>Shareholding of Directors :</b>                |                                     |                                  |   |                                  |
|        | <b>Mr.K.Suryanarayana</b>                         |                                     |                                  |   |                                  |
|        | At the beginning of the year                      | 3,600                               | 0.008                            | 3,600                                   | 0.008                            |
|        | Transfer to Promoter Group                        | -                                   | -                                | -                                       | -                                |
|        | At the end of the year                            | 3,600                               | 0.008                            | 3,600                                   | 0.008                            |
| 4.     | <b>Dr. T S Sethurathnam</b>                       |                                     |                                  |   |                                  |
|        | At the beginning of the year                      | Nil                                 | Nil                              | Nil                                     | Nil                              |
|        | At the end of the year                            | Nil                                 | Nil                              | Nil                                     | Nil                              |
| 5.     | <b>Mr.K.V.Ravindra Reddy</b>                      |                                     |                                  |   |                                  |
|        | At the beginning of the year                      | Nil                                 | Nil                              | Nil                                     | Nil                              |
|        | At the end of the year                            | Nil                                 | Nil                              | Nil                                     | Nil                              |
| 6.     | <b>Mr. A P Vitthal</b>                            |                                     |                                  |   |                                  |
|        | At the beginning of the year                      | 2,500                               | 0.006                            | 2,500                                   | 0.006                            |
|        | At the end of the year                            | 2,500                               | 0.006                            | 2,500                                   | 0.006                            |
| 7.     | <b>Mrs. K. Indira</b>                             |                                     |                                  |   |                                  |
|        | At the beginning of the year                      | 2,10,000                            | 0.47                             | 2,10,000                                | 0.47                             |
|        | At the end of the year                            | 2,10,000                            | 0.47                             | 2,10,000                                | 0.47                             |

**V. INDEBTEDNESS :**

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

( In lakhs)

| Particulars   | Secured Loans excluding deposits | Unsecured Loans | Deposits   | Total Indebtedness |
|---|----------------------------------|-----------------|------------|--------------------|
| Indebtedness at the beginning of the financial year |                                  |                 |            |                    |
| i) Principal Amount                                 | Nil                              | Nil             | Nil        | Nil                |
| ii) Interest due but not paid                       | Nil                              | Nil             | Nil        | Nil                |
| iii) Interest accrued but not due                   | Nil                              | Nil             | Nil        | Nil                |
| <b>Total (i+ii+iii)</b>                             | <b>Nil</b>                       | <b>Nil</b>      | <b>Nil</b> | <b>Nil</b>         |
| Change in Indebtedness during the financial year    |                                  |                 |            |                    |
| • Addition  | Nil                              | Nil             | Nil        | Nil                |
| • Reduction   | Nil                              | Nil             | Nil        | Nil                |
| <b>Net Change</b>                                   | <b>Nil</b>                       | <b>Nil</b>      | <b>Nil</b> | <b>Nil</b>         |
| Indebtedness at the end of the financial year       |                                  |                 |            |                    |
| i) Principal Amount                                 | Nil                              | Nil             | Nil        | Nil                |
| ii) Interest due but not paid                       | Nil                              | Nil             | Nil        | Nil                |
| iii) Interest accrued but not due                   | Nil                              | Nil             | Nil        | Nil                |
| <b>Total (i+ii+iii)</b>                             | <b>Nil</b>                       | <b>Nil</b>      | <b>Nil</b> | <b>Nil</b>         |

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A) Remuneration to Managing Director, Whole-time Directors and/or Manager:

( In lakhs)

| Sl. No. | Particulars of Remuneration   | Name of MD/WTD/ Manager                 |  | Total Amount |
|---------|---|---|--|--------------|
|         |   | Mr. K Suryanarayana, Executive Chairman | Mr. Sridhar Kamineni Managing Director |              |
| 1.      | Gross salary  | 39.12                                   | 39.12                                  | 78.24        |
|         | (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                             | -                                       | 10.32                                  | 10.32        |
|         | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             |   |  |              |
| 2.      | Stock Option  | -                                       | -                                      | -            |
| 3.      | Sweat Equity  | -                                       | -                                      | -            |
| 4.      | Commission  | -                                       | -                                      | -            |
|         | - as % of profit  |   |  |              |
|         | - others, specify...  |   |  |              |
| 5.      | Others, please specify  | -                                       | -                                      | -            |
|         | <b>Total (A)</b>  | <b>39.12</b>                            | <b>49.44</b>                           | <b>88.56</b> |

## B) Remuneration to other Directors :

( In lakhs)

| Sl. No. | Particulars of Remuneration   | Name of Directors    |                       |                |              | Total Amount |
|---------|---|----------------------|-----------------------|----------------|--------------|--------------|
|         |   | Dr.T S Sethurath nam | Mr.K V Ravindra Reddy | Mr.A P Vitthal | Mrs K Indira |              |
| 1.      | Independent Directors<br>• Fee for attending Board committee meetings<br>• Commission<br>• Others, please specify         | 1.65                 | 1.65                  | 1.65           | -            | 4.95         |
|         | <b>Total (1)</b>  | <b>1.65</b>          | <b>1.65</b>           | <b>1.65</b>    | <b>-</b>     | <b>4.95</b>  |
| 2.      | Other Non-Executive Directors<br>• Fee for attending Board committee meetings<br>• Commission<br>• Others, please specify | -                    | -                     | -              | 0.84         | 0.84         |
|         | <b>Total (2)</b>  | <b>-</b>             | <b>-</b>              | <b>-</b>       | <b>0.84</b>  | <b>0.84</b>  |
|         | <b>Total (B) = (1 + 2)</b>  | <b>1.65</b>          | <b>1.65</b>           | <b>1.65</b>    | <b>0.84</b>  | <b>5.79</b>  |

## C) Remuneration To Key Managerial Personnel Other than MD/Manager/WTD :

( In lakhs)

| Sl. No. | Particulars of Remuneration   | Key Managerial Personnel |             |              |
|---------|---|--------------------------|-------------|--------------|
|         |   | CS                       | CFO         | Total        |
| 1.      | Gross salary<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | 1.16                     | 8.46        | 10.22        |
| 2.      | Stock Option  | -                        | -           | -            |
| 3.      | Sweat Equity  | -                        | -           | -            |
| 4.      | Commission<br>- as % of profit<br>- others, specify...  | -                        | -           | -            |
| 5.      | Others, please specify  | -                        | -           | -            |
|         | <b>Total (A)</b>  | <b>1.16</b>              | <b>8.46</b> | <b>10.22</b> |

Mr. D. Suresh Babu, Company Secretary remuneration paid upto 12.12.2017 1.16 lakhs



## VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

| Type                                 | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority (RD/ NCLT/Court) | Appeal made if any (give details) |
|--------------------------------------|------------------------------|-------------------|--|----------------------------|-----------------------------------|
| <b>A. COMPANY</b>                    |                              |                   |  |                            |                                   |
| Penalty<br>Punishment<br>Compounding |                              |                   | None   |                            |                                   |
| <b>B. DIRECTORS</b>                  |                              |                   |  |                            |                                   |
| Penalty<br>Punishment<br>Compounding |                              |                   | None   |                            |                                   |
| <b>C. OTHER OFFICERS IN DEFAULT</b>  |                              |                   |  |                            |                                   |
| Penalty<br>Punishment<br>Compounding |                              |                   | None   |                            |                                   |



## a) Structure and Developments, Opportunities and Threats, Performance, Outlook, Risks and Concerns:

The Company achieved revenue of 11.19 Crores from Operations during the current year as against 7.38 Crores during the previous year. The Exports during the year has been 6.36 Crores as against 5.27 Crores during the previous year.

The Worldwide Rig Count as of March 31, 2018 stood at 2106 as compared to 1985 as of March 31, 2017. Rig Count is on the rise. With the increase in the deployment of rigs for both Oil and Gas and the increase in crude oil prices, requirement of Drill Pipe, Casing and Tubing have started to increase.

The Exploration and Drilling Activities in India continues to remain at steady levels. More Drilling Activities are expected with the deployment of more Rigs thereby leading to increase in the requirement of Tubulars required for Oil & Gas Sector.

Due to very minimal Operations during the last 2-3 years, there is severe constraint on the availability of working capital. In order to reduce the liabilities of the Company, reduce the finance cost, increase profitability of the Company and augment the working capital, the Board discussed and approved the asset sale of Processing Plant-2. The sale of Processing Plant-2 will not affect the Operations of the Company.

The proceeds from the sale of Processing Plant-2 will be utilized for reducing the working capital liability and augment the working capital.

As per the provisions of Section 180(1) (a) of the Companies Act, 2013, approval of the members has been obtained through Postal Ballot pursuant to section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014. The Company had complied with all statutory compliances.

The process of sale of Processing Plant-2 will be completed within One Hundred Eighty Days.

An opportunity of being price competitive in the Gulf Co-operation Council (GCC) market is there with the likely imposition of Anti-Dumping Duty on the seamless pipe imports from China by the second quarter of 2018, in addition to the domestic market (India) which is now protected by the new Steel Policy.

The Industry is dependent on the crude oil prices and any increase or decrease in the pricing will have a direct impact on the requirement of Tubulars and Drilling Products for the Oil & Gas Exploration.

## b) Internal Control Systems and their Adequacy :

Management has put in place effective Internal Control Systems to provide reasonable assurance for:

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

### Key elements of the Internal Control Systems are as follows:

- (i) Existence of Authority Manuals and periodical updating of the same for all Functions.
- (ii) Existence of clearly defined organizational structure and authority.
- (iii) Existence of corporate policies for Financial Reporting and Accounting.
- (iv) Existence of Management information system updated from time to time as may be required.
- (v) Existence of Annual Budgets and Long Term Business Plans.
- (vi) Existence of Internal Audit System.
- (vii) Periodical review of opportunities and risk factors depending on the Global / Domestic Scenario and to undertake measures as may be necessary.

The Company has appointed an Independent Auditor to ensure compliance and effectiveness of the Internal Control Systems in place.

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 for 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 :

( In lakhs)

| S.No. | Particulars  | 2017-18   | 2016-17   |
|-------|--|-----------|-----------|
| 1     | Sales / income from operations                                 | 1119.94   | 738.05    |
| 2     | Other Income   | 58.60     | 539.26    |
| 3     | Sub-total  | 1178.54   | 1277.31   |
| 4     | Total Expenditure (Before interest)                            | 4745.97   | 4580.05   |
| 5     | Profit/(Loss) Before Interest, Tax and Exceptional Items       | (3567.43) | (3302.74) |
| 6     | Operating Margin %   | -318.54%  | -447.50%  |
| 7     | Profit/(Loss) After Tax and Exceptional Items                  | (3702.35) | (8779.70) |
| 8     | Return on Average Capital Employed % (Before Interest and Tax) | -25.87%   | -16.49%   |
| 9     | No. Of Months Receivables (Receivables / Sales X 12)           | 1.26      | 1.85      |
| 10    | Current Ratio (Current Assets / Current Liabilities)           | 0.57      | 0.63      |
| 11    | Borrowings : Equity Ratio (TL / Equity)                        | 0.00      | 0.00      |

**d) Human Resources Development and Industrial Relations :**

The Company has constituted an Internal Complaint Committee (ICC) in pursuant to the provisions of Companies Act, 2013 for prevention, prohibition and redressal of complaints / grievances on the sexual harassment of women at work places.

The Company continued the welfare activities for the employees, which include Medical Care, Group Insurance, and Canteen Facility. To enrich the skills of employees and enrich their experience, the Company arranges, Practical Training Courses by Internal and External Faculty.

During the year, the workers continued their strike illegally till middle of September, 2015, in a concerted manner and continued to indulge in indiscipline and violent activities leading to the unfortunate incident of 18th February, 2016, which occurred in the work premises of the company resulting in stoppage of operations till the restoration of normalcy.

**e) Cautionary Statement :**

Statements in the Management Discussion and Analysis and Directors Report describing the Company's strengths, strategies, projections and estimates, are forward-looking statements and progressive within the meaning of applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors. Readers are cautioned not to place undue reliance on the forward looking statements.

By Order of the Board of Directors  
For **Oil Country Tubular Limited**

Place : Hyderabad  
Date : April 26th, 2018

**K SURYANARAYANA**  
Chairman



In accordance with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Corporate Governance, your Company is complying with the guidelines. The report for current year is as follows:

## 1) Company's Philosophy :

The Company's policies, practices and philosophy adopted since inception are in line with Corporate Governance. These policies, practices are required periodically to ensure its effective compliance. 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 and other Drilling Products of high quality conforming to the International Standards and provide satisfaction to all stakeholders including customers, shareholders and employees.

## 2) Board of Directors

The Board of Directors of the Company have an optimum combination of Executive, Non-Executive and Independent Directors who have an in-depth knowledge of business, in addition to the expertise in their areas of specialization. The Board of the Company comprises Six Directors that includes one Women Director.

### (i) Composition and Category of Directors as of March 31, 2018 is as follows :

| Category                              | No. of Directors | %      |
|---------------------------------------|------------------|--------|
| Executive Directors                   | 2                | 33.33  |
| Non Executive & Independent Directors | 3                | 50.00  |
| Non Executive & Women Director        | 1                | 16.67  |
| Total                                 | 6                | 100.00 |

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

The Board of Directors duly met 5 times during the financial year from 1st April, 2017 to 31st March, 2018. The dates on which the meetings were held are as follows :

25th May, 2017, 10th August, 2017, 9th November, 2017, 8th February, 2018, and 24th February, 2018.

### (iii) Attendance of each Director at the Board Meetings and the last AGM held on 10.08.2017 :

| Name of the Director   | No. of Board Meetings Attended | Last AGM attendance (Yes / No) |
|------------------------|--------------------------------|--------------------------------|
| Mr. K Suryanarayana    | 5                              | No                             |
| Mr. Sridhar Kamineni   | 5                              | Yes                            |
| Dr. T S Sethurathnam   | 5                              | Yes                            |
| Mr. K V Ravindra Reddy | 5                              | Yes                            |
| Mr. A P Vitthal        | 5                              | Yes                            |
| Mrs. K. Indira         | 4                              | No                             |



## (iv) Particulars of Directorships of other Companies

### OTHER DIRECTORSHIPS AS OF MARCH 31, 2018

| Name of the Director and Designation              | Name of the Company  | Position   |
|---|--|--|
| 1. Mr. K Suryanarayana<br>Chairman                | United Steel Allied Industries Pvt. Ltd.<br>Kamineni Steel and Power India Pvt. Ltd.<br>Kamineni Oncology Centre Pvt. Ltd<br>Kamineni Infrastructure Pvt. Ltd.<br>Kamineni Hospitals Pvt. Ltd.<br>Kamineni Health Care Pvt. Ltd.<br>Kamineni Health Services Pvt. Ltd. | Director<br>Chairman<br>Director<br>Director<br>Director<br>Director<br>Director |
| 2. Mr. Sridhar Kamineni<br>Managing Director      | USAI Forge Pvt. Ltd.<br>OMEGA-SVISS Ventures Pvt. Ltd.   | Director<br>Director   |
| 3. Mrs. K Indira                                  | Nil  | Nil  |
| 4. Dr. T S Sethurathnam<br>Independent Director   | Bright Brothers Ltd<br>Meenakshi Power Pvt.,Ltd.,  | Director<br>Director   |
| 5. Mr. K V Ravindra Reddy<br>Independent Director | Saptagiri Camphor Ltd<br>Green Park Hotels & Resorts Ltd<br>Medinova Diagnostic Services Ltd<br>World Globe.Com (India) Ltd<br>Dorado Corporation Private Limited<br>Cetus Corporation Private Limited   | Director<br>Director<br>Director<br>Director<br>Director<br>Director             |
| 6. Mr. A P Vitthal<br>Independent Director        | Sri Havisha Hospitality & Infrastructure Ltd   | Director   |

## v) No. of other Board Committees they are Members / Chairman as on March 31, 2018

| Audit Committee                  | Stakeholders Relationship Committee | Nomination and Remuneration Committee | Corporate Social Responsibility Committee |
|----------------------------------|-------------------------------------|---------------------------------------|---|
| Dr. T S Sethurathnam<br>Chairman | Mr. K V Ravindra Reddy<br>Chairman  | Dr. T S Sethurathnam<br>Chairman      | Dr. T S Sethurathnam<br>Chairman          |
| Mr. K V Ravindra Reddy<br>Member | Dr. T S Sethurathnam<br>Member      | Mr. K V Ravindra Reddy<br>Member      | Mr. K V Ravindra Reddy<br>Member          |
| Mr. A P Vitthal<br>Member        | Mr. A P Vitthal<br>Member           | Mr. A P Vitthal<br>Member             | Mr. A P Vitthal<br>Member                 |

### 3. Independent Directors :

The Company has complied with the definition of Independence as per Regulation 16 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and according to the Provisions of section 149(6) Companies Act, 2013. The company has also obtained declarations from all the Independent Directors pursuant to section 149 (7) of the Companies Act, 2013.

#### Training of Independent Directors :

Whenever new Non-executive and Independent Directors are inducted in the Board they are introduced to our Company's culture through appropriate orientation session and they are also introduced to our organization structure, our business, constitution, board procedures, our major risks and management strategy.



The appointment letters of Independent Directors has been placed on the Company's website at [www.octlindia.com](http://www.octlindia.com) under investors/ policy documents / independent director's letters link.

#### **Performance Evaluation of non-executive and Independent Directors**

The Board evaluates the performance of Non-executive and Independent Directors every year. All the Non-executive and Independent Directors are eminent personalities having wide experience in the field of business, industry and administration. Their presence on the Board is advantageous and fruitful in taking business decisions.

#### **Separate Meeting of the Independent Directors :**

The Independent Directors held a Meeting on 8th February, 2018 without the attendance of Non-Independent Directors and members of Management. All the Independent Directors were present at the meeting. The following issues were discussed in detail :

- i) Reviewed the performance of non-independent directors and the Board as a whole;
- ii) Reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- iii) Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### **4) Audit Committee :**

##### **i) Terms of reference :**

The Audit Committee reviews the audit reports submitted by the Internal Auditors and Statutory Auditors, financial results, effectiveness of internal audit processes and the Company's risk management strategy. It reviews the Company's established systems and the Committee is governed by a Charter which is in line with the regulatory requirements as per Section 177 of the Companies Act, 2013 and Part C of Schedule II of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

##### **ii) Composition :**

The Audit Committee of the Company consists of 3 Independent Directors. 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.

##### **iii) No. of Meetings held during the year :**

During the year the Committee had 4 Meetings i.e. On 25th May, 2017, 10th August, 2017, 9th November, 2017 and 8th February, 2018.

##### **iv) Composition, name of Members and attendance during the year :**

| <b>Name of the Director</b> | <b>Position</b> | <b>No. of Meetings held</b> | <b>No. of Meetings Attended</b> |
|-----------------------------|-----------------|-----------------------------|---------------------------------|
| Dr. T S Sethurathnam        | Chairman        | 4                           | 4                               |
| Mr. K V Ravindra Reddy      | Member          | 4                           | 4                               |
| Mr. AP Vitthal              | Member          | 4                           | 4                               |

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

#### **5) Nomination and Remuneration Committee :**

##### **i) Terms of reference :**

This Committee shall identify the persons, who are qualified to become Directors of the Company / who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and also shall carry out evaluation of every director's performance. Committee shall also formulate the criteria for determining qualifications, positive attributes, independent of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees. The terms of the reference of Nomination and Remuneration Committee covers the areas mentioned under Part D of Schedule II of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 as well as section 178 of the Companies Act, 2013.



**ii) Composition :**

The Nomination and Remuneration Committee of the Company consists of 3 Non-Executive and Independent Directors including Chairman.

**iii) No. of Meetings held during the year :**

During the year No Meeting held.

**iv) Composition, Name of Members :**

| Name of the Director   | Position | No. of Meetings held | No. of Meetings Attended |
|------------------------|----------|----------------------|--------------------------|
| Dr. T S Sethurathnam   | Chairman | Nil                  | Nil                      |
| Mr. K V Ravindra Reddy | Member   | Nil                  | Nil                      |
| Mr. AP Vitthal         | Member   | Nil                  | Nil                      |

**6) Corporate Social Responsibility Committee (CSR) :**

**i) Terms of reference :**

The Committee formulate and recommend to the Board, a CSR Policy and recommend the amount of expenditure to be incurred on CSR activities. Institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company and also monitor CSR policy from time to time.

**ii) Composition :**

The CSR Committee of the Company consists of 3 Non-Executive and Independent Directors.

**iii) No. of Meetings held during the year :**

During the year the Committee had 1 meeting i.e. 8th February, 2018.

**iv) Composition, name of Members and attendance during the year :**

| Name of the Director   | Position | No. of Meetings held | No. of Meetings Attended |
|------------------------|----------|----------------------|--------------------------|
| Dr. T S Sethurathnam   | Chairman | 1                    | 1                        |
| Mr. K V Ravindra Reddy | Member   | 1                    | 1                        |
| Mr. AP Vitthal         | Member   | 1                    | 1                        |

**7) Stakeholders Relationship Committee :**

**i) Terms of reference :**

The Committee focuses primarily on monitoring expeditious redressal of investors / stakeholders grievances and also function in an efficient manner that all issues / concerns stakeholders are addressed resolved promptly.

**ii) Composition of the Committee :**

The following Committee of Directors looks after the Investor Grievances :

Mr. K V Ravindra Reddy - Chairman  
Dr. T S Sethurathnam - Member  
Mr. AP Vitthal - Member



**iii) No. of meetings held and attendance during the year :**

During the year the 4 Stakeholders Relationship Committee Meetings were held i.e., On 25th May, 2017, 10th August, 2017, 9th November, 2017 and 8th February, 2018.. The attendance of the Members at the meeting was as under :

| Name of the Director   | Position | No. of Meetings held | No. of Meetings Attended |
|------------------------|----------|----------------------|--------------------------|
| Mr. K V Ravindra Reddy | Chairman | 4                    | 4                        |
| Dr. T S Sethurathnam   | Member   | 4                    | 4                        |
| Mr. AP Vitthal         | Member   | 4                    | 4                        |

**iv) Name and Designation of Compliance Officer :**

Mr. Ch. Venkata Sastry, Chief Financial Officer and Compliance Officer.

**Shareholder's Services :**

| Sl.No. | Nature of Complaints                   | 2017-18  |          | 2016-2017 |          |
|--------|--|----------|----------|-----------|----------|
|        |  | Received | Answered | Received  | Answered |
| 1.     | Non receipt of Shares lodged for Demat | -        | -        | -         | -        |
| 2.     | Non receipt of Dividend Warrants       | 8        | 8        | 6         | 6        |
| 3.     | Others                                 | -        | -        | -         | -        |

**8) General Body Meetings :**

**Location and time for the last three AGMs :**

| Year    | Date       | Venue  | Time       | Special Resolution  |
|---------|------------|--|------------|---|
| 2014-15 | 04.06.2015 | Taj Mahal Hotel<br>2nd Floor Akshaya Hall<br>4-1-999, Abids Road,<br>Hyderabad - 500 001 | 10.00 A.M. | Re-appointment of Managing Director, Appointment Non- executive non Independent Director and appointment of Independent Directors |
| 2015-16 | 01.09.2016 | Taj Mahal Hotel<br>2nd Floor Akshaya Hall<br>4-1-999, Abids Road,<br>Hyderabad - 500 001 | 10.00 A.M. | NIL   |
| 2016-17 | 10.08.2017 | Taj Mahal Hotel<br>2nd Floor Akshaya Hall<br>4-1-999, Abids Road,<br>Hyderabad - 500 001 | 10.00 A.M. | Re-appointment of Executive Chairman.   |

Postal Ballot was conducted during the year.

Extraordinary General Meetings - Nil.

**9) Disclosures :**

i) Related Party transaction during the year:

The Company does not have any related party transactions, which may have potential conflict with its interest at large.

ii) Cases of Non-Compliances:

There has been no instance of non-compliance by the Company on any matter related to capital markets.



#### 10) Means of Communication:

Quarterly, Half-yearly and Annual Financial Results of the Company are communicated to the Stock Exchanges immediately after the same are considered by the Board and are published in the all India editions of Financial Express, Business Standard (Hyderabad & Mumbai) and Hyderabad edition of Andhra Prabha. The results and official news releases of the Company are also made available on the Company's website [www.octlindia.com](http://www.octlindia.com).

#### 11) SEBI Complaints Redressal System (SCORES):

SEBI has initiated SCORES for processing the investor complaints in a centralized web based redress system and online redressal of all the shareholders complaints. The company is in compliance with the SCORES and redressed the shareholders complaints within the stipulated time.

#### 12) General Shareholder's Information:

|                            |   |   |
|----------------------------|---|---|
| AGM date, time and venue   | : | Saturday, the 11th August, 2018<br>At 10.00 A.M.<br>One Continent Hotel,<br>4th Floor, ,Above Brand Factory,<br>Beside TajMahal Hotel,<br>Sky Diner Hall, 4-1-1001,<br>Abids Road, Hyderabad – 500 001, |
| Financial Year             | : | 1st April, 2017 to 31st March, 2018   |
| Book Closure Date          | : | 8.08.2018 to 11.08.2018<br>(Both days inclusive)  |
| Listing on Stock Exchanges | : | A) Bombay Stock Exchange Ltd<br>B) National Stock Exchange of India Ltd   |
| Stock Code                 | : | BSE : 500313<br>NSE : OILCOUNTUB  |
| ISIN                       | : | INE591A01010  |

The Company has paid listing fees for the year 2018-19 to both the above stock exchanges.

#### 13) Market Price Data:

Monthly High and Low quotations along with the volume of shares traded at National Stock Exchange of India Ltd., & Bombay Stock Exchange Ltd., during the financial year 2017-18:

| Month & Year    | NSE   |       |                    | BSE   |       |                  |
|-----------------|-------|-------|--------------------|-------|-------|------------------|
|                 | High  | Low   | Volume             | High  | Low   | Volume           |
| April, 2017     | 59.75 | 45.00 | 12,11,832          | 59.65 | 46.00 | 3,65,827         |
| May, 2017       | 56.40 | 45.00 | 5,66,684           | 55.90 | 45.05 | 1,85,798         |
| June, 2017      | 54.90 | 43.75 | 9,72,202           | 54.45 | 44.00 | 2,93,654         |
| July, 2017      | 51.10 | 44.35 | 6,10,986           | 52.40 | 44.20 | 84,940           |
| August, 2017    | 47.70 | 39.10 | 6,84,343           | 48.00 | 39.45 | 60,606           |
| September, 2017 | 53.00 | 40.50 | 13,34,150          | 52.75 | 42.00 | 2,18,312         |
| October, 2017   | 58.00 | 43.50 | 12,25,772          | 58.00 | 43.65 | 3,11,273         |
| November, 2017  | 60.95 | 46.55 | 13,01,593          | 60.90 | 46.55 | 3,58,194         |
| December, 2017  | 58.00 | 45.30 | 26,36,356          | 57.95 | 45.10 | 4,70,088         |
| January, 2018   | 67.45 | 50.15 | 53,23,721          | 66.85 | 50.25 | 11,86,082        |
| February, 2018  | 51.75 | 38.45 | 11,55,348          | 51.60 | 38.75 | 2,07,389         |
| March, 2018     | 43.60 | 28.80 | 21,93,735          | 43.45 | 29.20 | 7,55,163         |
| <b>Total</b>    |       |       | <b>1,92,16,722</b> |       |       | <b>44,97,326</b> |



#### 14) Unclaimed Dividend Amounts:

Pursuant to the provisions of the Companies Act, the dividend for the following years, which remain unclaimed for seven years, will be transferred to Investor Education and Protection Fund (IEPF) established by the Central Government.

Members who have not so far encashed the dividend warrant(s) are requested to seek revalidation of dividend warrants in writing to the Company's Registrar and Transfer Agents, M/s. XL Softech Systems Limited, immediately. Members are requested to note that no claims shall lie against the Company in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.

Members are also advised to update their correspondence address in their demat accounts in case of their holdings in electronic form or inform their latest correspondence address to the Registrars in case of holdings in physical form.

Information in respect of such unclaimed dividends due for transfer to the Investor Education and Protection Fund (IEPF) is as follows.

| Financial Year | Date of Declaration for Dividend | Amount outstanding as on 31.03.2018<br>( In Lakhs) | Due for transfer to IEPF on |
|----------------|----------------------------------|--|-----------------------------|
| 2010-11        | 28-05-2011                       | 5,555,178  | 08-07-2018                  |
| 2011-12        | 29-05-2012                       | 6,043,038  | 07-07-2019                  |
| 2012-13        | 30-05-2013                       | 6,011,820  | 10-07-2020                  |
| 2013-14        | 05-06-2014                       | 5,869,056  | 09-07-2021                  |

Unclaimed dividend for the year(s) 2010-11, 2011-12, 2012-13 and 2013-14 are held in separate Bank accounts and shareholders who have not received the dividend / encashed the warrants are advised to write to the Company with complete details. During the year, the Company has transferred unclaimed dividend amount of 55,78,002/- on 04.07.2017 out of dividend declared for the financial year 2009-10 to Investor Education and Protection Fund (IEPF) of the Central Government required under Section 125 of the Companies Act, 2013..

The Unclaimed Dividend Amount for the year 2010-11 is to be transferred to Investor Education and Protection Fund (IEPF) when it is determined in the month of July, 2018 on the completion of (7) Seven years. Members may please note that if dividend remains unpaid or unclaimed for a period of (7) seven years from the date when it is transferred to unpaid dividend accounts it shall be transferred to the IEPF as stated above.

Information in respect of equity shares transferred to Investor Education Protection Fund (IEPF) as on 31st March, 2018 is as follows:

| No. of Equity shares | No. of Equity Shareholders | No. of Shares  |
|----------------------|----------------------------|----------------|
| 1-2000               | 5068                       | 657401         |
| 2001-3000            | 2                          | 5850           |
| 3001-4000            | 3                          | 9380           |
| 4001- 5000           | 1                          | 5000           |
| 10001 and above      | 4                          | 1588013        |
| <b>Total</b>         | <b>5078</b>                | <b>2265644</b> |





#### 15) Registrar and Transfer Agents :

M/s. XL Softech Systems Limited is Registrar and Transfer Agent of the Company. Any request pertaining to investor relations may be addressed to the following address:

XL Softech Systems Limited  
3, Sagar Society, Road No. 2, Banjara Hills,  
Hyderabad - 500 034  
Phone No.040 - 23545913 / 23545914; Email: xlfield@gmail.com

Investor correspondence may also be addressed to:  
Compliance Officer  
"Kamineni" 3rd Floor, King Koti,  
Hyderabad - 500 001  
Tel No.:040-2478 5555; Fax No.:040-2475 9299; Email: demat@octlindia.com

#### 16) Share Transfer System:

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

| Particulars                                | 2017-18     | 2016-17     |
|--|-------------|-------------|
| Shares Transferred                         | 16,640      | 10,830      |
| Total No. of shares as on 31st March, 2018 | 4,42,89,530 | 4,42,89,530 |
| % on Share Capital                         | 0.04        | 0.02        |

#### 17) Shareholding Pattern as on 31st March, 2018

| Category                    | No. of Share Holders | No. Of Shares Held | % of Share Holding |
|-----------------------------|----------------------|--------------------|--------------------|
| Promoters                   | 19                   | 21,79,9431         | 49.22              |
| Companies                   | 316                  | 17,21,861          | 3.89               |
| FII's                       | 1                    | 5,400              | 0.01               |
| OCBs and NRIs               | 348                  | 84,41,212          | 19.06              |
| Mutual Funds, Banks, others | 13                   | 92,302             | 0.21               |
| Individuals                 | 25,631               | 1,22,29,324        | 27.61              |
| <b>Total</b>                | <b>26,328</b>        | <b>4,42,89,530</b> | <b>100.00</b>      |



### 18) Distribution of Share Holdings:

| No. of Equity Shares Held | As on 31.03.2018     |                    |                    |                    | As on 31.03.2017     |                    |                    |                    |
|---------------------------|----------------------|--------------------|--------------------|--------------------|----------------------|--------------------|--------------------|--------------------|
|                           | 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                     | 23,749               | 90.20              | 33,76,833          | 7.62               | 29,579               | 91.87              | 39,94,442          | 9.02               |
| 501-1000                  | 1,405                | 5.34               | 11,53,839          | 2.61               | 1,446                | 4.50               | 11,82,348          | 2.67               |
| 1001-2000                 | 550                  | 2.09               | 8,41,011           | 1.90               | 557                  | 1.73               | 8,55,990           | 1.93               |
| 2001-3000                 | 212                  | 0.81               | 5,35,876           | 1.21               | 225                  | 0.70               | 5,72,507           | 1.29               |
| 3001-4000                 | 66                   | 0.25               | 2,35,813           | 0.53               | 69                   | 0.21               | 2,47,192           | 0.56               |
| 4001-5000                 | 89                   | 0.34               | 4,25,872           | 0.96               | 80                   | 0.25               | 3,81,025           | 0.86               |
| 5001-10000                | 124                  | 0.47               | 8,74,541           | 1.97               | 116                  | 0.36               | 8,55,465           | 1.93               |
| 10001 and above           | 133                  | 0.50               | 3,68,45,745        | 83.19              | 123                  | 0.38               | 3,62,00,561        | 81.74              |
| <b>Total</b>              | <b>26,328</b>        | <b>100.00</b>      | <b>4,42,89,530</b> | <b>100.00</b>      | <b>32,195</b>        | <b>100.00</b>      | <b>4,42,89,530</b> | <b>100.00</b>      |

### 19) Shareholding Profile:

| Mode of Holding | As on 31.03.2018 |                    |               | As on 31.03.2017 |                    |               |
|-----------------|------------------|--------------------|---------------|------------------|--------------------|---------------|
|                 | No. of holders   | No. of Shares      | % to Equity   | No. of holders   | No. of Shares      | % to Equity   |
| Demat           | 16,344           | 4,26,47,508        | 96.29         | 16,854           | 4,03,42,266        | 91.09         |
| Physical        | 9,984            | 16,42,022          | 3.71          | 15,341           | 39,47,264          | 8.91          |
| <b>Total</b>    | <b>26,328</b>    | <b>4,42,89,530</b> | <b>100.00</b> | <b>32,195</b>    | <b>4,42,89,530</b> | <b>100.00</b> |

### 20) Outstanding GDRs/ADRs/warrants or any convertible instruments, conversion date and likely impact on equity

We have no GDRs/ADRs or any commercial instrument.

21) **Plant Locations** : Sreepuram,  
Narketpally Mandalam  
Nalgonda Dist - 508254 (TG)

22) **Address of Registered Office** : "Kamineni" 3rd Floor, King Koti  
Hyderabad - 500 001  
Tel.No : 040-24785555  
Fax No : 040-2475 9299

### 23) Annual Compliance with the Code of Conduct for the Financial Year 2017-2018

Pursuant to Regulation 17(5) read with Schedule V (Part D) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, I hereby confirm that the Company has received affirmations on compliance with the Code of Conduct for the financial year ended March 31, 2018 from all the Board Members and Senior Management Personnel.



**24) Risk Management:**

The company has been addressing various risks impacting the company and the policy of the company on risk management is provided elsewhere in this annual report in Management Discussion and Analysis.

**25) Prevention of Insider Trading:**

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, the company has instituted a code of conduct for prohibition of insider trading in the company's shares.

**26) Reconciliation of Share Capital Audit for reconciliation of share capital:**

As stipulated by SEBI, a qualified Practicing Company Secretary carries out the Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSIL) and the total issued and paid-up capital. This audit is carried out every quarter and the report there on is submitted to the stock exchanges and is placed before the board of directors of the Company. The audit, inter alia, confirms that the listed and paid up capital of the company is in agreement with the aggregate of the total number of shares in dematerialized form held with NSDL and CDSIL and the total number of shares in physical form.

**27) Corporate Identity Number (CIN):**

Corporate Identity Number (CIN) of the company, allotted by the Ministry of Corporate Affairs, Government of India is L26932TG1985PLC005329.

**28) CEO / CFO Certification:**

As required by Regulation 27 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the CEO / CFO Certification is provided in the Annual Report.

**29) Green Initiative in the Corporate Governance:**

As part of the green initiative process, the company has taken an initiative of sending documents like notice calling Annual General meeting, Corporate Governance Report, Directors Report, audited Financial Statements, Auditors Report, Dividend intimations etc., by email. Physical copies are sent only to those shareholders whose email addresses are not registered with the company and for the bounced-mail cases. **Shareholders are requested to register their email id with Registrar and Share Transfer Agent / concerned depository to enable the company to send the documents in electronic form in Future.**

By Order of the Board of Directors  
For Oil Country Tubular Limited

Place : Hyderabad  
Date : April 26th, 2018

**K SURYANARAYANA**  
Chairman



## CEO AND CFO CERTIFICATION

We, Sridhar Kamineni, Managing Director and Ch. Venkata Sastry, Chief Financial Officer responsible for the finance function certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2018 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 31st March, 2018 are fraudulent, illegal or violate 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

**CH. VENKATA SASTRY**  
Chief Financial Officer

Place : Hyderabad  
Date : April 26th, 2018

## AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

### The Members of Oil Country Tubular Limited

I have examined the compliance of conditions of Corporate Governance by Oil Country Tubular Ltd., for the year ended 31st March, 2018 as stipulated in Chapter IV of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. My 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 Ind-AS financial statements of the Company.

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

I state that in respect of investor grievances received during the year ended 31st March, 2018, no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders Committee.

I 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 G NAGENDRASUNDARAM & CO.,**  
Chartered Accountants  
FRN 005355S

Place : Hyderabad  
Date : April 26th, 2018

**G NAGENDRASUNDARAM**  
Proprietor  
M.No.050283



To the Members of OIL COUNTRY TUBULAR LIMITED

## Report on the Ind AS Financial Statements

I have audited the accompanying Ind AS financial statements of OIL COUNTRY TUBULAR LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the statement of changes in Equity for the year then ended on that date, and a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes of equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards ("Ind AS") 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

My responsibility is to express an opinion on these Ind AS financial statements based on my audit.

I 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.

I conducted my audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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 Ind-AS financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Ind AS financial statements.

### Opinion

In my opinion and to the best of my information and according to the explanations given to me, the Ind-AS 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 including Ind-AS, of the financial position of the Company as at March 31, 2018 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to the "Order"), and on the basis of such checks of the books and records of the Company as I considered appropriate and according to the information and explanations given to me, I give in the Annexure – 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) (i) of the Companies Act, 2013, I given in Annexure – 2, the report on Internal Financial Controls over Financial Reporting.
3. As required by section 143(3) of the Act, we report that:
  - a. I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit.
  - b. In my opinion proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books.
  - c. The Balance Sheet, Statement of Profit and Loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account.
  - d. In my opinion, the aforesaid Ind AS 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 written representations received from the Directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
  - f. 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 my opinion and to the best of my information and according to the explanations given to me;
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements,
    - ii. In my opinion and as per the information and explanations provided to me, the Company has not entered into any long-term contracts including derivative contracts for which there were any for material foreseeable losses, and
    - iii. There has been no delay in transferring the amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For G NAGENDRASUNDARAM & CO.,**  
Chartered Accountants  
FRN 005355S

**G NAGENDRASUNDARAM**  
Proprietor  
M.No.050283

Place : Hyderabad  
Date : April 26th, 2018



## ANNEXURE - 1 TO THE INDEPENDENT AUDITORS' REPORT:

(Referred to in Paragraph 1 under section 'Report on Other Legal and Regulatory Requirements' of my report of even date)

- 1.1. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- 1.2. All the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- 1.3. All the title deeds of the immovable properties are held in the name of the Company.
2. The inventories have been physically verified at reasonable intervals by the management and no material discrepancies were noticed on such verification.
3. According to the information and explanations given to me, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the sub-clauses (a), (b) and (c) are not applicable to the company.
4. According to the information and explanations given to me, the investment made by the Company is in compliance with the provisions of Section 186 of the Companies Act, 2013. The Company has not granted any loans or given any guarantee or security which are covered under the provisions of Section 185 and 186 of the Companies Act, 2013.
5. According to the information and explanations given to me, the Company has not accepted any deposits in terms of the directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
6. I have broadly reviewed the cost records maintained by the Company pursuant sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- 7.1 According to the information and explanations given to me, the company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other statutory dues, as are applicable, with the appropriate authorities.  
According to the information and explanations given to me, there are no arrears of outstanding statutory dues except service tax provision of Rs.16,066,284 as at the last day of the financial year under audit for a period of more than six months from the date they became payable.
- 7.2 According to the information and explanations given to me, there are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of dispute except the following:

| Nature of the Statute & Nature of due   | Amount     | Period                        | Forum where litigation is pending |
|---|------------|-------------------------------|-----------------------------------|
| Interest expenditure disallowed by Income Tax Department u/s 14A of the Income Tax Act, 1961 read with Rule 8D of the Income tax Rules, 1962, disputed by the Company.  | 5,055,646  | Assessment Year: 2014-15      | CIT (Appeal), Hyderabad- 4        |
| Central Excise – Demand raised by the Central Excise Department in respect of process amounting to 'manufacture' and applicability of duty thereon in respect of certain products against which an appeal has been made before CESTAT, Hyderabad. | 72,245,173 | From 01.04.2007 to 31.03.2016 | CESTAT, Hyderabad                 |

8. According to the information and explanations given to me, the Company has defaulted in payment of overdue in working capital loans to the banks as reported in Note No.22 and interest accrued and due as reported in Note No.24.
9. During the year under review, the Company has not raised any money by way of initial public offer, further public offer, or term loans and hence the reporting requirement on the purpose of application of the same is not warranted.
10. According to the information and explanations given to me and based upon the audit procedures performed by me, no fraud by the Company or on the Company committed by its officers or employees has been noticed or reported during the year.
11. According to the information and explanations given to me, the managerial remuneration paid or provided during the year is in compliance with the provisions of Section 197 read with Schedule V of the Companies Act, 2013.
12. As the Company is not a Nidhi Company in terms of the provisions of the Companies Act, 2013 read with Nidhi Rules, 2014, the matters to be reported under clause (xii) are not applicable.
13. The Company has complied with the provisions of Section 177 and 188 of the Companies Act, 2013, wherever applicable. In my opinion, the details as required by the applicable accounting standards have been disclosed in the financial statements for the year under review.
14. According to the information and explanations given to me, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, reporting requirement on compliance with Section 42 of the Companies Act, 2013 and purpose of application of the funds so raised is not applicable.
15. According to the information and explanations given to me, the Company has not entered into any non-cash transactions with directors or persons connected with him and hence, reporting requirement on compliance with the provisions of Section 192 of the Companies Act, 2013 is not applicable.
16. According to the information and explanations given to me and in my opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For G NAGENDRASUNDARAM & CO.,**  
Chartered Accountants  
FRN 005355S

**G NAGENDRASUNDARAM**  
Proprietor  
M.No.050283

Place : Hyderabad  
Date : April 26th, 2018



## ANNEXURE – 2 TO THE INDEPENDENT AUDITOR'S REPORT:

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act"):

I have audited the internal financial controls over financial reporting of OIL COUNTRY TUBULAR LIMITED ("the Company") as of March 31, 2018 in conjunction with my audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit.

I conducted my 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 I 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.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### Meaning of Internal Financial Controls over Financial Reporting

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

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.

### Opinion

In my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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.

**For G NAGENDRASUNDARAM & CO.,**  
Chartered Accountants  
FRN 005355S

**G NAGENDRASUNDARAM**  
Proprietor  
M.No.050283

Place : Hyderabad  
Date : April 26th, 2018



# BALANCE SHEET



## BALANCE SHEET AS AT MARCH 31, 2018

(₹ in lakhs)

| Particulars                        | Note No. | As At March 31,2018 | As At March 31,2017 | As At April 1,2016 |
|------------------------------------|----------|---------------------|---------------------|--------------------|
| <b>I) ASSETS</b>                   |          |                     |                     |                    |
| <b>1 Non Current Assets</b>        |          |                     |                     |                    |
| (a) Property, Plant and Equipment  | 6        | 21,608.83           | 23,689.00           | 25,876.70          |
| (b) Intangible Assets              | 7        | 30.44               | 44.10               | 64.26              |
|                                    |          | 21,639.27           | 23,733.10           | 25,940.96          |
| (c) Financial Assets               |          |                     |                     |                    |
| (i) Investments                    | 8        | -                   | -                   | 5,220.40           |
| (ii) Other Financial Assets        | 9        | 948.38              | 582.20              | 592.66             |
| (d) Other Non Current Assets       | 10       | 29.07               | 29.07               | 211.92             |
|                                    |          | 977.45              | 611.27              | 6,024.98           |
| <b>2 Current Assets</b>            |          |                     |                     |                    |
| (a) Inventories                    | 11       | 9,892.77            | 9,760.23            | 10,415.09          |
| (b) Financial Assets               |          |                     |                     |                    |
| (i) Trade Receivables              | 12       | 117.48              | 113.64              | 1,234.35           |
| (ii) Cash and cash equivalents     | 13       | 17.80               | 50.21               | 114.95             |
| (iii) Other Bank Balances          | 14       | 335.50              | 672.77              | 390.74             |
| (iv) Others                        | 15       | 1.16                | 19.96               | 23.78              |
| (c) Current Tax Assets (Net)       | 16       | 409.83              | 405.82              | 400.98             |
| (d) Other Current Assets           | 17       | 308.81              | 229.74              | 250.19             |
|                                    |          | 11,083.35           | 11,252.37           | 12,830.08          |
| <b>Total</b>                       |          | <b>33,700.07</b>    | <b>35,596.74</b>    | <b>44,796.02</b>   |
| <b>II) EQUITY AND LIABILITIES</b>  |          |                     |                     |                    |
| <b>1 Equity</b>                    |          |                     |                     |                    |
| (a) Equity Share Capital           | 18       | 4,428.95            | 4,428.95            | 4,428.95           |
| (b) Other Equity                   | 19       | 7,591.62            | 11,293.97           | 20,073.67          |
|                                    |          | 12,020.57           | 15,722.92           | 24,502.62          |
| <b>2 Non Current Liabilities</b>   |          |                     |                     |                    |
| (a) Provisions                     | 20       | 13.95               | 79.49               | 58.99              |
| (b) Deferred Tax Liabilities (Net) | 21       | 154.96              | 1,980.00            | 3,736.32           |
| (c) Other Non Current Liabilities  | 22       | 2,081.28            | -                   | -                  |
|                                    |          | 2,250.19            | 2,059.49            | 3,795.31           |
| <b>3 Current Liabilities</b>       |          |                     |                     |                    |
| (a) Financial Liabilities          |          |                     |                     |                    |
| (i) Borrowings                     | 23       | 12,211.42           | 14,078.86           | 13,085.59          |
| (ii) Trade Payables                | 24       | 2,368.29            | 2,860.06            | 3,049.26           |
| (iii) Other Financial Liabilities  | 25       | 1,220.78            | 667.40              | 250.83             |
| (b) Other Current Liabilities      | 26       | 3,496.41            | 184.96              | 22.38              |
| (c) Provisions                     | 27       | 132.41              | 23.05               | 90.03              |
|                                    |          | 19,429.31           | 17,814.33           | 16,498.09          |
| <b>Total</b>                       |          | <b>33,700.07</b>    | <b>35,596.74</b>    | <b>44,796.02</b>   |

The accompanying notes 1-44 form an integral part of this financial statements

Per our report attached  
for **G NAGENDRASUNDARAM & CO**  
Chartered Accounts  
(FRN 005355S)

**G NAGENDRASUNDARAM**  
Proprietor  
M.No. 050283

Place : Hyderabad  
Date : April 26th, 2018

For and on behalf of the Board of Directors

**K SURYANARAYANA**  
Chairman  
DIN : 00078950

**SRIDHAR KAMINENI**  
Managing Director  
DIN : 00078815

**Dr. T S SETHURATHNAM**  
Director  
DIN : 00042704

**K V RAVINDRA REDDY**  
Director  
DIN : 00083986

**A P VITTHAL**  
Director  
DIN : 00061080



# BALANCE SHEET



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2018

### A. SHARE CAPITAL

(₹ in lakhs)

|                              |          |
|------------------------------|----------|
| Balance as on April 1, 2016  | 4,428.95 |
| Balance as on March 31, 2017 | 4,428.95 |
| Balance as on April 1, 2017  | 4,428.95 |
| Balance as on March 31, 2018 | 4,428.95 |

### B OTHER EQUITY

(₹ in lakhs)

| Particulars  | Capital Reserve | Revaluation Reserve on Land | General Reserve | Retained Earnings | Total     |
|--|-----------------|-----------------------------|-----------------|-------------------|-----------|
| Balance as on April 1, 2016 as per previous GAAP               | 0.65            | 80.82                       | 20,282.84       | (659.77)          | 19,704.54 |
| Transfer from retained earning to General reserves             |                 |                             | (659.77)        | 659.77            | -         |
| Ind AS Adjustment:   |                 |                             |                 |                   |           |
| Prior Period Errors  |                 |                             | 369.13          | (369.13)          | -         |
| Balance at the beginning of the reporting period April 1, 2016 | 0.65            | 80.82                       | 19,992.20       | -                 | 20,073.67 |
| Prior Period Errors  |                 |                             |                 | 46.49             | 46.49     |
| Depreciation   |                 |                             |                 | (31.82)           | (31.82)   |
| Total Comprehensive Income                                     |                 |                             |                 | 8,765.03          | 8,765.03  |
| Transfer from retained earning to General reserves             |                 |                             | (8,779.70)      | 8,779.70          | -         |
| Balance at the beginning of the reporting period April 1, 2017 | 0.65            | 80.82                       | 11,212.50       | -                 | 11,293.97 |
| Total Comprehensive Income                                     |                 |                             |                 | 3,702.35          | 3,702.35  |
| Transfer from retained earning to General reserves             |                 |                             | (3,702.35)      | 3,702.35          | -         |
| Balance at the end of the reporting period March 31, 2018      | 0.65            | 80.82                       | 7,510.15        | -                 | 7,591.62  |

Per our report attached  
for **G NAGENDRASUNDARAM & CO**  
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**G NAGENDRASUNDARAM**  
Proprietor  
M.No. 050283

Place : Hyderabad  
Date : April 26th, 2018

*For and on behalf of the Board of Directors*

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Director  
DIN : 00083986

**A P VITTHAL**  
Director  
DIN : 00061080

# PROFIT AND LOSS ACCOUNT



## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON MARCH 31, 2018

(₹ in lakhs)

| Particulars  | Note No. | Year Ended March 31,2018 | Year Ended March 31,2017 |
|--|----------|--------------------------|--------------------------|
| <b>A Revenue</b>   |          |                          |                          |
| Revenue from Operations  | 28       | 1,119.94                 | 738.05                   |
| Other Income   | 29       | 58.60                    | 539.26                   |
| Total Income   |          | 1,178.54                 | 1,277.31                 |
| <b>B Expenses</b>  |          |                          |                          |
| Cost of Material Consumed                                      | 30       | 567.69                   | 229.53                   |
| (Increase) / Decrease in Inventory                             | 31       | 184.44                   | 286.00                   |
| Employee Benefits Expense                                      | 32       | 721.27                   | 1,237.12                 |
| Finance Cost   | 33       | 1,959.96                 | 1,829.25                 |
| Depreciation and Amortisation Expenses                         | 34       | 2,163.13                 | 2,207.85                 |
| Other Expenses   | 35       | 1,106.29                 | 740.92                   |
| <b>Total Expenses</b>  |          | 6,702.78                 | 6,530.67                 |
| <b>C Profit / (Loss) Before Exceptional Items and Tax</b>      |          | (5,524.24)               | (5,253.36)               |
| Exceptional Items - (Income) / Expense                         |          | -                        | 5,220.40                 |
| <b>D Profit / (Loss) Before Tax</b>                            |          | (5,524.24)               | (10,473.76)              |
| <b>E Tax Expenses</b>  |          |                          |                          |
| - Current Tax  |          | -                        | -                        |
| - Deferred Tax (Asset) / Liability                             |          | (1,825.91)               | (1,714.32)               |
| - Income Tax relating to Previous Years                        |          | -                        | 183.63                   |
|  |          | (1,825.91)               | (1,530.69)               |
| <b>G Profit / (Loss) for the period</b>                        |          | (3,698.33)               | (8,943.07)               |
| <b>H Other Comprehensive Income (Net)</b>                      |          |                          |                          |
| Items that will not be reclassified to Profit or Loss -        |          |                          |                          |
| Remeasurement of defined benefit plans                         |          | (3.15)                   | 121.37                   |
| Deferred Tax   |          | 0.87                     | (42.00)                  |
| <b>I Total Comprehensive Income / (Expense) for the Period</b> |          | (3,702.35)               | (8,779.70)               |
| <b>J Earning per equity Share</b>                              |          |                          |                          |
| - Basic  |          | (8.36)                   | (19.82)                  |
| - Diluted  |          | (8.36)                   | (19.82)                  |

The accompanying notes 1-44 form an integral part of this financial statements

Per our report attached  
for **G NAGENDRASUNDARAM & CO**  
Chartered Accounts  
(FRN 005355S)

**G NAGENDRASUNDARAM**  
Proprietor  
M.No. 050283

Place : Hyderabad  
Date : April 26th, 2018

For and on behalf of the Board of Directors

**K SURYANARAYANA**  
Chairman  
DIN : 00078950

**SRIDHAR KAMINENI**  
Managing Director  
DIN : 00078815

**Dr. T S SETHURATHNAM**  
Director  
DIN : 00042704

**K V RAVINDRA REDDY**  
Director  
DIN : 00083986

**A P VITTHAL**  
Director  
DIN : 00061080

# CASH FLOW STATEMENT



## CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2018

(₹ in lakhs)

|   | March 31, 2018 |                   | March 31, 2017 |                    |
|---|----------------|-------------------|----------------|--------------------|
| <b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>                            |                |                   |                |                    |
| Net Profit / (Loss) before tax and exceptional items                      |                | (5,524.24)        |                | (5,253.36)         |
| Exceptional items - Income / (Expenditure)                                |                | 0.00              |                | (5,220.40)         |
| Other Comprehensive Income (Net)  |                | (3.15)            |                | 121.37             |
| <b>Total Comprehensive Income before tax</b>                              |                | <b>(5,527.39)</b> |                | <b>(10,352.39)</b> |
| Adjustments for   |                |                   |                |                    |
| Depreciation  | 2,163.13       |                   | 2,239.67       |                    |
| Amortisation of intangible assets   | 0.00           |                   | (31.82)        |                    |
| Diminution in value of investments  | 0.00           |                   | 5,220.40       |                    |
| Profit / (Loss) on sale of Assets   | (1.11)         |                   | 0.00           |                    |
| Interest Income   | (21.13)        |                   | (20.31)        |                    |
| Interest expenses   | 1,959.96       |                   | 1,829.25       |                    |
|   |                | <b>4,100.85</b>   |                | <b>9,237.19</b>    |
| <b>Operating Profit / (Loss) before working capital changes</b>           |                | <b>(1,426.54)</b> |                | <b>(1,115.20)</b>  |
| (Increase) / Decrease in Trade Receivables                                | (3.84)         |                   | 1,120.71       |                    |
| (Increase) / Decrease in Inventories                                      | (132.54)       |                   | 654.86         |                    |
| (Increase) / Decrease in Loans & Advances                                 | (89.18)        |                   | (64.45)        |                    |
| Increase / (Decrease) in Current Liabilities                              | 5,498.14       |                   | 343.48         |                    |
|   |                | <b>5,272.58</b>   |                | <b>2,054.60</b>    |
| <b>Cash Generated from Operations</b>                                     |                | <b>3,846.04</b>   |                | <b>939.40</b>      |
| Income tax paid net of refunds  |                | (4.01)            |                | (4.84)             |
| Income tax adjustment relating to previous years                          |                | 0.00              |                | (183.63)           |
| <b>Net cash flow from operating activities ( A )</b>                      |                | <b>3,842.03</b>   |                | <b>750.93</b>      |
| <b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>                             |                |                   |                |                    |
| Purchase of fixed assets  | (72.33)        |                   | 0.00           |                    |
| Sale proceeds of fixed assets   | 4.15           |                   | 0.00           |                    |
| Interest received   | 21.13          |                   | 20.31          |                    |
| <b>Net cash flow from investing activities ( B )</b>                      |                | <b>(47.05)</b>    |                | <b>20.31</b>       |
| <b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>                             |                |                   |                |                    |
| Increase / (Decrease) in working capital borrowings                       | (1,867.43)     |                   | 993.27         |                    |
| Interest Paid   | (1,959.96)     |                   | (1,829.25)     |                    |
| <b>Net cash flow used in financing activities ( C )</b>                   |                | <b>(3,827.39)</b> |                | <b>(835.98)</b>    |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS ( A+B+C )</b>                |                | <b>(32.41)</b>    |                | <b>(64.74)</b>     |
| Cash and cash equivalents at beginning of the period                      |                | 50.21             |                | 114.95             |
| <b>Cash and cash equivalents at end of the period</b>                     |                | <b>17.80</b>      |                | <b>50.21</b>       |
| <b>Cash and cash equivalents</b>  |                |                   |                |                    |
| Cash on hand  |                | 0.17              |                | 0.12               |
| Balance with banks in current account                                     |                | 17.63             |                | 50.09              |
| <b>Total</b>  |                | <b>17.80</b>      |                | <b>50.21</b>       |
| <b>Notes to the cash flow statement for the year ended March 31, 2018</b> |                |                   |                |                    |
| 1 This statement is prepared as per Ind AS - 7 (indirect method).         |                |                   |                |                    |
| 2 Previous year's figures were re-grouped wherever necessary.             |                |                   |                |                    |

Per our report attached  
for **G NAGENDRASUNDARAM & CO**  
Chartered Accountants  
(FRN 005355S)

**G NAGENDRASUNDARAM**  
Proprietor  
M.No. 050283

Place : Hyderabad  
Date : April 26th, 2018

For and on behalf of the Board of Directors

**K SURYANARAYANA**  
Chairman  
DIN : 00078950

**SRIDHAR KAMINENI**  
Managing Director  
DIN : 00078815

**Dr. T S SETHURATHNAM**  
Director  
DIN : 00042704

**K V RAVINDRA REDDY**  
Director  
DIN : 00083986

**A P VITTHAL**  
Director  
DIN : 00061080

## 1. BASIS OF PREPARATION AND MEASUREMENT

### i. Statement of Compliance

The financial statements as at and for the year ended March 31, 2018 have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

For all the periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with requirement of previous GAAP, which includes accounting standards notified under the section 133 of the Companies Act 2013 read together with Companies (Accounting Standards) Rules, 2006. The Date of transition to Ind AS is April 01, 2016. These financial statements for the year ended March 31, 2018 are Company's first Ind AS financial statements. The disclosure relating to Ind AS 101, First-time adoption of Indian Accounting Standards have been given in Note no.3

### ii. Accounting Convention and Basis of Measurement

The financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

- i) Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments)
- ii) Defined benefit and other long-term employee benefits.

### iii. Functional and Presentation Currency

The financial statements are presented in Indian rupees, which is the functional currency of the company and the currency of the primary economic environment in which the company operates. All financial information presented in Indian rupees has been rounded to the nearest thousands except share and earning per share data.

### iv. Use of Judgements, Estimates and Assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities and assets. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies, as well as estimates and assumptions in respect of the following areas, that have most significant effect to the carrying amounts within the next financial year are included in the relevant notes.

- i) Useful lives of property, plant, equipment and intangibles
- ii) Measurement of defined benefit obligations
- iii) Measurement and likelihood of occurrence of provisions and contingencies
- iv) Recognition of deferred tax assets.
- v) Impairment of intangibles
- vi) Expenditure relating to research and development activities.

### v. Operating Cycle

Based on the nature of products/ activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### i. Property Plant and Equipment:

- a) Property Plant and Equipment are measured at cost less accumulated depreciation and impairment losses.
- b) The cost of property, plant and equipment includes those incurred directly for the construction or acquisition of the asset, and directly attributable to bringing it to the location and condition necessary for it to be capable of operating in the manner intended by the management and includes the present value of expected cost for dismantling/ restoration wherever applicable.
- c) The Cost of major spares is recognised in the carrying amount of the item of property, plant and equipment in accordance with the recognition criteria set out in the standard. The carrying amount of the replaced part is

derecognised at the time of actual replacement. The cost of the day-to-day servicing of the item are recognised in statement of profit and loss account.

- d) Depreciation is provided under straight line method in respect of plant, equipment and buildings and for the rest of the tangible assets on written down value method over the useful life of assets specified in Part C of Schedule II to the Companies Act, 2013 and manner specified therein. Assets costing less than 5,000/- are fully depreciated in the year of purchase.
- e) Expenditure attributable / relating to PPE under construction / erection is accounted as below:
- To the extent directly identifiable to any specific plant / unit, trail run expenditure net of revenue is included in the cost of property plant and equipment.
  - To the extent not directly identifiable to any specific plant / unit, is kept under “expenditure during construction” for allocation to property plant and equipment and is grouped under Capital work in progress.

## ii. Intangible Assets:

- a) Intangible asset is recognised when it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Expenditure incurred for creating infrastructure facilities where the ownership does not rest with the company and where the benefits from it accrue to the company over a future period is also considered as intangible asset.
- b) New product development expenditure, software licences, technical knowhow fee, infrastructure and logistic facilities etc., are recognised as intangible asset upon completion of development and commencement of commercial production.
- c) Intangible assets are amortised on straight line method over their technically estimated useful life.
- d) Residual values and useful lives for all intangible assets are reviewed at each reporting date. Changes if any are accounted for as changes in accounting estimates.

## iii. Investments:

Investments in Un-quoted shares are measured at Cost. Diminution/Impairment in value, other than temporary, is provided for.

## iv. Impairment of Asset:

### a) Financial Assets:

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- o Financial assets that are debt instruments and are measured at amortised cost whether applicable for e.g. loans debt securities, deposits, and bank balances.
- o Trade Receivables

The Company follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

### b) Non – financial assets:

The Company assesses at each reporting date whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, the company estimates the amount of impairment loss.

## v. 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.

## vi. Foreign Currency Transactions:

- a) Transactions relating to non-monetary items and purchase and sale of goods /services denominated in foreign currency are recorded at the exchange rate prevailing or a rate that approximates the actual rate on the date of transaction.
- b) Assets and liabilities in the nature of monetary items denominated in foreign currencies are translated and restated at prevailing exchange rates as at the end of the reporting period.

- c) Exchange differences arising on account of settlement / conversion of foreign currency monetary items are recognised as expense or income in the period in which they arise.
- d) Foreign currency gains and losses are reported on a net basis.

**vii. Revenue Recognitions:**

Sales are recognised on despatch of goods from the factory, In respect of export sales, the revenue is recognised on the basis of bill of lading. Miscellaneous sales are recognised on the basis of despatch of goods. Other income such as interest etc., are recognised on accrual basis. Sales revenue is measured at fair value net of returns, trade discounts and volume rebates.

**viii. Employee Benefits:**

a) Short term Benefits

All employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits. The cost of the benefits like salaries, wages, medical, leave travel assistance, short term compensated absences, bonus, exgratia etc., is recognised as an expense in the period in which the employee renders the related service.

b) Post-employment benefits:

- Defined Contribution Plans:

The contribution paid /payable under provident fund scheme, ESI scheme, and employee pension scheme is recognised as expenditure in the period in which the employee renders the related service.

- Defined Benefit Plans:

The company's obligation towards gratuity is a defined benefit plan. The present value of the estimated future cash flows of the obligation under such plan is determined based on actuarial valuation using the projected unit credit method. Any difference between the interest income on plan asset and the return actually achieved and any changes in the liabilities over the year due to changes in actuarial assumptions or experienced adjustments within the plan are recognised immediately in other comprehensive income and subsequently not reclassified to the statement of profit and loss.

All defined benefit plans obligations are determined based on valuation as at the end of the reporting period, made by independent actuary using the projected unit credit method. The classification of the company's net obligation into current and non-current is as per the actuarial valuation report.

**c) Long term Employee Benefits:**

The obligation for long term employee benefits such as long term compensated absences, is determined and recognised in the similar manner stated in the defined benefit plan.

**ix. Borrowing Cost:**

- a) Borrowing costs incurred for obtaining assets which take substantial period to get ready for their intended use are capitalised to the respective assets wherever the costs are directly attributable to such assets and in other cases by applying weighted average cost of borrowings to the expenditure on such assets.
- b) Other borrowing costs are treated as expense for the year.
- c) Significant transaction costs in respect of long-term borrowings are amortised over the tenor of respective loans using effective interest method.

**x. Provision for Current and Deferred Tax:**

a) Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profits differ from the profit as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company's current tax is calculated using tax rates that have been enacted or substantially enacted by the end of the reporting period. In the event of Tax computed as stated is less than the tax computed under section 115JB of the Income tax Act., 1961, provision for current tax will be made in accordance with such provisions.

b) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax

liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period to recover or settle the carrying amount of its assets and liabilities.

c) **Current and deferred Tax for the year**

Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

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 recognised and carried forward only to the extent there is reasonably certain that there will be sufficient future income to recover such Deferred Tax Asset.

**xi. Minimum Alternate Tax Credit:**

Minimum Alternate Tax Credit Entitlement is recognized in the books of account when there is convincing evidence that the Company will pay normal income tax during the specified period. The Entitlement is reviewed at each balance sheet date with regard to the correctness of the carrying amount

**xii. Research and Development:**

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

**xiii. Claims:**

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

**3. FIRST TIME ADOPTION OF IND AS**

These financial statements of Oil country Tubular Limited, for the year ended March 31, 2018 have been prepared in accordance with Ind AS. For the purpose of transition to Ind AS, the company has followed the guidance prescribed in Ind AS 101 – first time adoption of Indian Accounting Standard, with effect from April 01, 2016 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The Accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ending March 31, 2018 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the company’s Balance sheet, statement of profit and loss, is set out in note 5. Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101, have been set out in note 4.

**4. EXEMPTIONS AVAILED ON FIRST TIME ADOPTION OF IND-AS 101**

Ind-AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind-AS and exemptions from other Ind-AS. The company has accordingly applied the following exemptions.

**Property, Plant and Equipment and Intangibles:**

The Company may elect to use the previous GAAP carrying amount as the deemed cost for measurement of items of property, plant and equipment and intangibles assets at the date of transition to Ind-AS. Accordingly the company adopted the previous GAAP carrying amount that existed at the date of transition to Ind-AS.



## 5. Reconciliations

The following reconciliations provide the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

A Equity as at April 1, 2016 and March 31, 2017

B Net profit for the year ended March 31, 2017

### A. Reconciliation of Equity as previously reported under IGAAP to Ind AS

(₹ in lakhs)

| Particulars                        | Note | Opening Balance Sheet as at April 1, 2016 |                                |                  | Opening Balance Sheet as at March 31, 2017 |                                 |                  |
|------------------------------------|------|---|--------------------------------|------------------|--|---------------------------------|------------------|
|                                    |      | IGAPP                                     | Effect of transition to Ind AS | Ind AS           | IGAPP                                      | Effects of transition to Ind AS | Ind AS           |
| <b>I) ASSETS</b>                   |      |   |                                |                  |  |                                 |                  |
| 1 Non Current Assets               |      |   |                                |                  |  |                                 |                  |
| (a) Property, Plant and Equipment  | A    | 25,876.70                                 | -                              | 25,876.70        | 23,689.00                                  | -                               | 23,689.00        |
| (b) Intangible Assets              |      | 64.26                                     | -                              | 64.26            | 12.28                                      | 31.82                           | 44.10            |
|                                    |      | 25,940.96                                 | -                              | 25,940.96        | 23,701.28                                  | 31.82                           | 23,733.10        |
| (c) Financial Assets               |      |   |                                |                  |  |                                 |                  |
| (i) Investments                    |      | 5,220.40                                  | -                              | 5,220.40         | -  | -                               | -                |
| (ii) Other Financial Assets        |      | 592.66                                    | -                              | 592.66           | 582.20                                     | -                               | 582.20           |
| (d) Other Non Current Assets       |      | 211.92                                    | -                              | 211.92           | 29.07                                      | -                               | 29.07            |
|                                    |      | 6,024.98                                  | -                              | 6,024.98         | 611.27                                     | -                               | 611.27           |
| 2 Current Assets                   |      |   |                                |                  |  |                                 |                  |
| (a) Inventories                    |      | 10,415.09                                 | -                              | 10,415.09        | 9,760.23                                   | -                               | 9,760.23         |
| (b) Financial Assets               |      |   |                                |                  |  |                                 |                  |
| (i) Trade Receivables              | B    | 163.27                                    | 1,071.08                       | 1,234.35         | 113.64                                     | -                               | 113.64           |
| (ii) Cash and cash equivalents     |      | 114.95                                    | -                              | 114.95           | 50.21                                      | -                               | 50.21            |
| (iii) Other Bank Balances          |      | 390.74                                    | -                              | 390.74           | 672.77                                     | -                               | 672.77           |
| (iv) Others                        |      | 23.78                                     | -                              | 23.78            | 19.96                                      | -                               | 19.96            |
| (c) Current Tax Assets (Net)       |      | 400.98                                    | -                              | 400.98           | 405.82                                     | -                               | 405.82           |
| (d) Other Current Assets           |      | 250.19                                    | -                              | 250.19           | 229.74                                     | -                               | 229.74           |
|                                    |      | 11,759.00                                 | 1,071.08                       | 12,830.08        | 11,252.37                                  | -                               | 11,252.37        |
| <b>Total</b>                       |      | <b>43,724.94</b>                          | <b>1,071.08</b>                | <b>44,796.02</b> | <b>35,564.92</b>                           | <b>31.82</b>                    | <b>35,596.74</b> |
| <b>II) EQUITY AND LIABILITIES</b>  |      |   |                                |                  |  |                                 |                  |
| 1 Equity                           |      |   |                                |                  |  |                                 |                  |
| (a) Equity Share Capital           |      | 4,428.95                                  | -                              | 4,428.95         | 4,428.95                                   | -                               | 4,428.95         |
| (b) Other Equity                   | C    | 19,704.54                                 | 369.13                         | 20,073.67        | 11,308.64                                  | (14.67)                         | 11,293.97        |
|                                    |      | 24,133.49                                 | 369.13                         | 24,502.62        | 15,737.59                                  | (14.67)                         | 15,722.92        |
| 2 Non Current Liabilities          |      |   |                                |                  |  |                                 |                  |
| (a) Provisions                     |      | 58.99                                     | -                              | 58.99            | 79.49                                      | -                               | 79.49            |
| (b) Deferred Tax Liabilities (Net) |      | 3,736.32                                  | -                              | 3,736.32         | 1,980.00                                   | -                               | 1,980.00         |
| (c) Other Non Current Liabilities  |      | -   | -                              | -                | -  | -                               | -                |
|                                    |      | 3,795.31                                  | -                              | 3,795.31         | 2,059.49                                   | -                               | 2,059.49         |
| 3 Current Liabilities              |      |   |                                |                  |  |                                 |                  |
| (a) Financial Liabilities          |      |   |                                |                  |  |                                 |                  |
| (i) Borrowings                     | D    | 13,085.59                                 | -                              | 13,085.59        | 14,078.86                                  | -                               | 14,078.86        |
| (ii) Trade Payables                |      | 2,347.31                                  | 701.95                         | 3,049.26         | 2,813.57                                   | 46.49                           | 2,860.06         |
| (iii) Other Financial Liabilities  |      | 250.83                                    | -                              | 250.83           | 667.40                                     | -                               | 667.40           |
| (b) Other Current Liabilities      |      | 22.38                                     | -                              | 22.38            | 184.96                                     | -                               | 184.96           |
| (c) Provisions                     |      | 90.03                                     | -                              | 90.03            | 23.05                                      | -                               | 23.05            |
|                                    |      | 15,796.14                                 | 701.95                         | 16,498.09        | 17,767.84                                  | 46.49                           | 17,814.33        |
| <b>Total</b>                       |      | <b>43,724.94</b>                          | <b>1,071.08</b>                | <b>44,796.02</b> | <b>35,564.92</b>                           | <b>31.82</b>                    | <b>35,596.74</b> |

Explanations for reconciliation of balance sheet as previously reported under IGAAP to Ind AS.

#### Reasons for adjustments:

- A Estimated useful life of software has been revised for 5 years and amortisation has been worked out accordingly.
- B Addition on account of prior period sales identified during the year.
- C Consequent to change in useful life of intangible assets and adjustment of prior period items.
- D Addition on account of prior period expenses identified during the year.



| <b>B. Reconciliation of Statement of Profit &amp; Loss as previously reported under IGAAP to Ind AS</b> |      |   |                                |                    | (₹ in lakhs) |
|---|------|---|--------------------------------|--------------------|--------------|
| Particulars   | Note | Opening Balance Sheet as at April 1, 2016 |                                |                    |              |
|   |      | IGAPP                                     | Effect of transition to Ind AS | Ind AS             |              |
| <b>A Revenue</b>  |      |   |                                |                    |              |
| Revenue from Operations   | E    | 728.78                                    | 9.27                           | 738.05             |              |
| Other Income  |      | 539.26                                    | -                              | 539.26             |              |
| <b>Total Income</b>   |      | <b>1,268.04</b>                           | <b>9.27</b>                    | <b>1,277.31</b>    |              |
| <b>B Expenses</b>   |      |   |                                |                    |              |
| Cost of Material Consumed   |      | 229.53                                    | -                              | 229.53             |              |
| (Increase) / Decrease in Inventory  |      | 286.00                                    | -                              | 286.00             |              |
| Employee Benefits Expense   | F    | 1,115.75                                  | 121.37                         | 1,237.12           |              |
| Finance Cost  |      | 1,829.25                                  | -                              | 1,829.25           |              |
| Depreciation and Amortisation Expenses  | A    | 2,239.67                                  | (31.82)                        | 2,207.85           |              |
| Other Expenses  | G    | 685.16                                    | 55.76                          | 740.92             |              |
| <b>Total Expenses</b>   |      | <b>6,385.36</b>                           | <b>145.31</b>                  | <b>6,530.67</b>    |              |
| <b>C Profit / (Loss) Before Exceptional Items and Tax</b>   |      | <b>(5,117.32)</b>                         | <b>(136.04)</b>                | <b>(5,253.36)</b>  |              |
| Exceptional Items - Income / (Expense)  |      | (5,220.40)                                | -                              | (5,220.40)         |              |
| Prior Period Adjustments (Net)  | G    | 369.13                                    | (369.13)                       | -                  |              |
| <b>D Profit / (Loss) Before Tax</b>   |      | <b>(9,968.59)</b>                         | <b>(505.17)</b>                | <b>(10,473.76)</b> |              |
| <b>E Tax Expenses</b>   |      |   |                                |                    |              |
| - Current Tax   |      | -   | -                              | -                  |              |
| - Deferred Tax (Asset) / Liability  | F    | (1,756.32)                                | 42.00                          | (1,714.32)         |              |
| - Income Tax relating to Previous Years   |      | 183.63                                    | -                              | 183.63             |              |
|   |      | <b>(1,572.69)</b>                         | <b>42.00</b>                   | <b>(1,530.69)</b>  |              |
| <b>G Profit / (Loss) for the period</b>   |      | <b>(8,395.90)</b>                         | <b>(547.17)</b>                | <b>(8,943.07)</b>  |              |
| <b>H Other Comprehensive Income (Net)</b>   | F    |   |                                |                    |              |
| Items that will not be reclassified to Profit or Loss -   |      |   |                                |                    |              |
| Remeasurement of defined benefit plans  |      | -   | 121.37                         | 121.37             |              |
| Deferred Tax  |      | -   | (42.00)                        | (42.00)            |              |
| <b>I Total Comprehensive Income / (Expense) for the Period</b>  |      | <b>(8,395.90)</b>                         | <b>(383.80)</b>                | <b>(8,779.70)</b>  |              |

**Explanations for reconciliation of statement of profit and loss as previously reported under IGAAP to Ind AS.**

**Reasons for adjustments:**

- E Inclusion of excise duty paid on sales and recognition of prior period sales.
- F Recognition of actuarial gains and losses in other comprehensive income and consequential adjustment.
- G Adjustment of excise duty and prior period expenses.

**C. Cash flow statement**

There were no significant reconciliation items between cash flows prepared under previous GAAP and those prepared under Ind AS.

## 6. PROPERTY, PLANT AND EQUIPMENT AS ON MARCH 31, 2018

(₹ in lakhs)

| DESCRIPTION                         | GROSS CARRYING AMOUNT |              |                         | ACCUMULATED DEPRECIATION |                     |                 |                         | NET CARRYING AMOUNT  |                      |
|-------------------------------------|-----------------------|--------------|-------------------------|--------------------------|---------------------|-----------------|-------------------------|----------------------|----------------------|
|                                     | As on April 1, 2017   | Additions    | Adjustments/ Deductions | As on March 31, 2018     | As on April 1, 2017 | For the Year    | Adjustments/ Deductions | As on March 31, 2018 | As on March 31, 2017 |
| Land                                | 352.59                | -            | -                       | 352.59                   | -                   | -               | -                       | -                    | 352.59               |
| Buildings                           | 7,678.80              | -            | -                       | 7,678.80                 | 2,709.72            | 333.93          | -                       | 3,043.65             | 4,635.15             |
| Plant & Equipment                   | 52,268.88             | 72.33        | -                       | 52,341.21                | 33,968.77           | 1,797.68        | -                       | 35,766.45            | 16,574.76            |
| Furniture & Fixtures                | 195.58                | -            | -                       | 195.58                   | 171.91              | 6.26            | -                       | 178.17               | 17.41                |
| Vehicles                            | 81.94                 | -            | 23.78                   | 58.16                    | 73.71               | 1.35            | 20.74                   | 54.32                | 3.84                 |
| Office Equipment                    | 258.93                | -            | -                       | 258.93                   | 242.39              | 3.11            | -                       | 245.50               | 13.43                |
| Data Processing Equipment           | 353.48                | -            | -                       | 353.48                   | 334.70              | 7.13            | -                       | 341.83               | 11.65                |
| <b>T O T A L</b>                    | <b>61,190.20</b>      | <b>72.33</b> | <b>23.78</b>            | <b>61,238.75</b>         | <b>37,501.20</b>    | <b>2,149.46</b> | <b>20.74</b>            | <b>39,629.92</b>     | <b>21,608.83</b>     |
| Carrying values as on April 1, 2017 | 61,190.20             | -            | -                       | 61,190.20                | 35,313.50           | 2,187.69        | -                       | 37,501.19            | 23,689.01            |

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## PROPERTY, PLANT AND EQUIPMENT AS ON MARCH 31, 2017

(₹ in lakhs)

| DESCRIPTION                         | GROSS CARRYING AMOUNT |           |                         | ACCUMULATED DEPRECIATION |                     |                 |                         | NET CARRYING AMOUNT  |                      |
|-------------------------------------|-----------------------|-----------|-------------------------|--------------------------|---------------------|-----------------|-------------------------|----------------------|----------------------|
|                                     | As on April 1, 2016   | Additions | Adjustments/ Deductions | As on March 31, 2017     | As on April 1, 2016 | For the Year    | Adjustments/ Deductions | As on March 31, 2017 | As on March 31, 2016 |
| Land                                | 352.59                | -         | -                       | 352.59                   | -                   | -               | -                       | -                    | 352.59               |
| Buildings                           | 7,678.80              | -         | -                       | 7,678.80                 | 2,376.74            | 332.98          | -                       | 2,709.72             | 4,969.08             |
| Plant & Equipment                   | 52,268.88             | -         | -                       | 52,268.88                | 32,174.40           | 1,794.37        | -                       | 33,968.77            | 18,300.11            |
| Furniture & Fixtures                | 195.58                | -         | -                       | 195.58                   | 161.91              | 10.00           | -                       | 171.91               | 23.67                |
| Vehicles                            | 81.94                 | -         | -                       | 81.94                    | 69.23               | 4.48            | -                       | 73.71                | 8.23                 |
| Office Equipment                    | 258.93                | -         | -                       | 258.93                   | 233.32              | 9.07            | -                       | 242.39               | 16.54                |
| Data Processing Equipment           | 353.48                | -         | -                       | 353.48                   | 297.90              | 36.80           | -                       | 334.70               | 18.78                |
| <b>T O T A L</b>                    | <b>61,190.20</b>      | <b>-</b>  | <b>-</b>                | <b>61,190.20</b>         | <b>35,313.50</b>    | <b>2,187.70</b> | <b>-</b>                | <b>37,501.20</b>     | <b>23,689.00</b>     |
| Carrying values as on April 1, 2016 | 62,624.63             | 379.30    | 1,813.73                | 61,190.20                | 34,819.97           | 2,209.15        | 1,715.62                | 35,313.50            | 27,804.66            |

## 7. INTANGIBLE ASSETS AS ON MARCH 31, 2018

(₹ in lakhs)

| DESCRIPTION                         | GROSS CARRYING AMOUNT |           |                         | ACCUMULATED DEPRECIATION |                     |              |                         | NET CARRYING AMOUNT  |                      |
|-------------------------------------|-----------------------|-----------|-------------------------|--------------------------|---------------------|--------------|-------------------------|----------------------|----------------------|
|                                     | As on April 1, 2017   | Additions | Adjustments/ Deductions | As on March 31, 2018     | As on April 1, 2017 | For the Year | Adjustments/ Deductions | As on March 31, 2018 | As on March 31, 2017 |
| Computer Software                   | 208.79                | -         | -                       | 208.79                   | 164.69              | 13.66        | -                       | 178.35               | 30.44                |
| <b>T O T A L</b>                    | <b>208.79</b>         | <b>-</b>  | <b>-</b>                | <b>208.79</b>            | <b>164.69</b>       | <b>13.66</b> | <b>-</b>                | <b>178.35</b>        | <b>30.44</b>         |
| Carrying values as on April 1, 2017 | 208.79                | -         | -                       | 208.79                   | 144.53              | 51.97        | 31.82                   | 164.69               | 44.10                |

## INTANGIBLE ASSETS AS ON MARCH 31, 2017

(₹ in lakhs)

| DESCRIPTION                         | GROSS CARRYING AMOUNT |           |                         | ACCUMULATED DEPRECIATION |                     |              |                         | NET CARRYING AMOUNT  |                      |
|-------------------------------------|-----------------------|-----------|-------------------------|--------------------------|---------------------|--------------|-------------------------|----------------------|----------------------|
|                                     | As on April 1, 2016   | Additions | Adjustments/ Deductions | As on March 31, 2017     | As on April 1, 2016 | For the Year | Adjustments/ Deductions | As on March 31, 2017 | As on March 31, 2016 |
| Computer Software                   | 208.79                | -         | -                       | 208.79                   | 144.53              | 51.97        | 31.82                   | 164.69               | 64.26                |
| <b>T O T A L</b>                    | <b>208.79</b>         | <b>-</b>  | <b>-</b>                | <b>208.79</b>            | <b>144.53</b>       | <b>51.97</b> | <b>31.82</b>            | <b>164.69</b>        | <b>64.26</b>         |
| Carrying values as on April 1, 2016 | 194.37                | -         | -                       | 194.37                   | 30.21               | 114.32       | -                       | 144.53               | 164.16               |

**Note:** The Management has estimated the useful life of software for 5 years and amortisation has been worked out accordingly.

## 8. INVESTMENTS

(₹ in lakhs)

|  | March 31, 2018  | March 31, 2017 | April 01, 2016 |
|--|-----------------|----------------|----------------|
| <b>Trade Investments (Unquoted, at cost)</b>   |                 |                |                |
| <b>Investments in Equity Instruments</b>   | <b>5,220.40</b> | 5,220.40       | 5,220.40       |
| 23,220,400 Equity Shares of ₹ 10/- each in<br>United Seamless Tubulaar Private Limited<br>(Including 19,000,000 of Bonus Shares ₹ 10/- each) |                 |                |                |
| Less: Provision for Diminution in value of Investments   | <b>5,220.40</b> | 5,220.40       | -              |
|  | -               | -              | 5,220.40       |

## Disclosures

Provision for Diminution in Value of Investments is done as the Networth of the Investee Company has become negative and there is no evidence of whether it is temporary or permanent.

| Particulars  | March 31, 2018    |           | March 31, 2017 |    |
|--|-------------------|-----------|----------------|----|
|  | No. of Shares     | %         | No. of Shares  | %  |
| Equity Shares in<br>United Seamless Tubulaar Private Limited | <b>23,220,400</b> | <b>17</b> | 23,220,400     | 17 |

## 9. OTHER FINANCIAL ASSETS

(₹ in lakhs)

|                                    | March 31, 2018 | March 31, 2017 | April 01, 2016 |
|------------------------------------|----------------|----------------|----------------|
| <b>Unsecured, considered good</b>  |                |                |                |
| Security Deposits                  | <b>948.38</b>  | 581.34         | 581.03         |
| Prepaid Expenses                   | -              | 0.11           | 3.55           |
| Deposits with Banks - Margin Money | -              | 0.75           | 6.61           |
| Interest receivable                | -              | -              | 1.47           |
|                                    | <b>948.38</b>  | 582.20         | 592.66         |

## 10. OTHER NON CURRENT ASSETS

(₹ in lakhs)

|   | March 31, 2018 | March 31, 2017 | April 01, 2016 |
|---|----------------|----------------|----------------|
| MAT Credit Entilement (refer note no.2.x) | <b>29.07</b>   | 29.07          | 211.92         |
|   | <b>29.07</b>   | 29.07          | 211.92         |

## 11. INVENTORIES

(₹ in lakhs)

|   | March 31, 2018 | March 31, 2017 | April 01, 2016 |
|---|----------------|----------------|----------------|
| Valued at lower of cost or net realisable value except scrap which is valued at estimated realisable value. |                |                |                |
| Raw Materials   | 1,767.29       | 1,155.91       | 1,337.98       |
| Work in Progress  | 5,689.14       | 6,105.17       | 6,390.91       |
| Finished Goods  | 231.55         | -              | -              |
| Stores and Spare parts  | 2,448.38       | 2,497.94       | 2,684.73       |
| Scrap   | 1.25           | 1.21           | 1.47           |
|   | 10,137.61      | 9,760.23       | 10,415.09      |
| Less: Provision for non-moving stores and spares  | 244.84         | -              | -              |
|   | 9,892.77       | 9,760.23       | 10,415.09      |

## 12. TRADE RECEIVABLES

(₹ in lakhs)

|                            | March 31, 2018 | March 31, 2017 | April 01, 2016 |
|----------------------------|----------------|----------------|----------------|
| Unsecured, considered good | 117.48         | 113.64         | 1,234.35       |
|                            | 117.48         | 113.64         | 1,234.35       |

## Disclosures:

The Trade Receivables includes an amount of ₹ 62.11 lakhs (Previous year ₹ 59.17 lakhs) due from Companies in which Directors are interested.

## 13. CASH AND CASH EQUIVALENTS

(₹ in lakhs)

|   | March 31, 2018 | March 31, 2017 | April 01, 2016 |
|---|----------------|----------------|----------------|
| <b>Cash and Cash Equivalents</b>        |                |                |                |
| Cash on Hand                            | 0.17           | 0.12           | 2.22           |
| Balances with Banks in Current Accounts | 17.63          | 50.09          | 112.73         |
|   | 17.80          | 50.21          | 114.95         |

## 14. OTHER BANK BALANCES

(₹ in lakhs)

|                               | March 31, 2018 | March 31, 2017 | April 01, 2016 |
|-------------------------------|----------------|----------------|----------------|
| Margin Money Deposit Accounts | 100.71         | 471.19         | 140.33         |
| Unclaimed Dividend Accounts   | 234.79         | 201.58         | 250.41         |
|                               | 335.50         | 672.77         | 390.74         |

## 15. OTHERS

(₹ in lakhs)

|                     | March 31, 2018 | March 31, 2017 | April 01, 2016 |
|---------------------|----------------|----------------|----------------|
| Interest receivable | 1.16           | 19.96          | 23.78          |
|                     | 1.16           | 19.96          | 23.78          |

## 16. CURRENT TAX ASSETS (NET)

(₹ in lakhs)

|  | March 31, 2018 | March 31, 2017 | April 01, 2016 |
|--|----------------|----------------|----------------|
| Prepaid Taxes - Income Tax (Net) (refer note no.2.x) | 409.83         | 405.82         | 400.98         |
|  | 409.83         | 405.82         | 400.98         |

## 17. OTHER CURRENT ASSETS

(₹ in lakhs)

|                                   | March 31, 2018 | March 31, 2017 | April 01, 2016 |
|-----------------------------------|----------------|----------------|----------------|
| Balances with Revenue Authorities | 260.96         | 181.98         | 197.33         |
| Prepaid Expenses                  | 23.15          | 23.11          | 31.63          |
| Advances to Suppliers             | 20.80          | 14.15          | 8.30           |
| Other Advances                    | 3.90           | 10.50          | 12.93          |
|                                   | 308.81         | 229.74         | 250.19         |

## 18. EQUITY SHARE CAPITAL

(₹ in lakhs)

|   | March 31, 2018 | March 31, 2017 | April 01, 2016 |
|---|----------------|----------------|----------------|
| <b>Authorised :</b>   |                |                |                |
| 85,000,000 Equity Shares of par value of ₹ 10/- each        | 8,500.00       | 8,500.00       | 8,500.00       |
| <b>Issued, Subscribed and Paid up:</b>                      | 4,428.95       | 4,428.95       | 4,428.95       |
| At the beginning and at the end of the year                 |                |                |                |
| 44,289,530 Equity Shares of ₹ 10 each fully paid up in Cash | 4,428.95       | 4,428.95       | 4,428.95       |

## Disclosures:

1. All the equity shares carry equal rights and obligations including for dividend and with respect to voting
2. Details of Shareholders holding more than 5% Shares:

| Particulars                                    | March 31, 2018 |       | March 31, 2017 |       |
|--|----------------|-------|----------------|-------|
|  | No. of Shares  | %     | No. of Shares  | %     |
| United Steel Allied Industries Private Limited | 14,489,165     | 32.72 | 14,489,165     | 32.72 |
| UMW India Ventures (I) Limited                 | 6,599,100      | 14.90 | 6,599,100      | 14.90 |

## 19. OTHER EQUITY

(₹ in lakhs)

|  | March 31, 2018    | March 31, 2017 | April 01, 2016 |
|--|-------------------|----------------|----------------|
| <b>Capital Reserve:</b>                                    |                   |                |                |
| Share Forfeiture   | 0.65              | 0.65           | 0.65           |
| <b>Revaluation Reserve on Land</b>                         | <b>80.82</b>      | 80.82          | 80.82          |
| <b>General Reserve:</b>                                    |                   |                |                |
| Balance at the beginning of the year                       | 11,212.50         | 19,992.20      | 20,282.84      |
| Add / (Less) : Transfer from Retained Earnings             | (3,702.35)        | (8,779.70)     | (290.64)       |
| Balance at the closing of the year                         | 7,510.15          | 11,212.50      | 19,992.20      |
| <b>Retained Earnings</b>                                   |                   |                |                |
| Balance brought forward from previous year                 | -                 | -              | -              |
| Add: Transfer from Statement of Profit & Loss for the year | (3,702.35)        | (8,779.70)     | (290.64)       |
| <b>Balance Available for Appropriations</b>                | <b>(3,702.35)</b> | (8,779.70)     | (290.64)       |
| <b>Appropriations:</b>                                     |                   |                |                |
| Less: Transfer to General Reserve                          | 3,702.35          | 8,779.70       | 290.64         |
| <b>Balance carried forward to next year</b>                | <b>-</b>          | -              | -              |
|  | 7,591.62          | 11,293.97      | 20,073.67      |

## 20. PROVISIONS

(₹ in lakhs)

|                                 | March 31, 2018 | March 31, 2017 | April 01, 2016 |
|---------------------------------|----------------|----------------|----------------|
| Provision for Employee benefits | 13.95          | 79.49          | 58.99          |
|                                 | 13.95          | 79.49          | 58.99          |

## 21. DEFERRED TAX LIABILITIES (NET)

(₹ in lakhs)

|  | March 31, 2018 | March 31, 2017 | April 01, 2016 |
|--|----------------|----------------|----------------|
| <b>Deferred Tax relating to the following</b>  |                |                |                |
| Difference in WDV of PPE and Intangible assets | (3,071.44)     | (4,026.00)     | (4,129.94)     |
| Carried forward losses                         | 2,552.31       | 1,945.95       | 374.52         |
| Post Employment Benefits                       | 48.24          | 44.45          | 19.10          |
| Other disallowances                            | 315.93         | 55.60          | -              |
| Net Deferred Taxes Assets / (Liabilities)      | (154.96)       | (1,980.00)     | (3,736.32)     |
| Deferred Tax recongised in Profit and Loss     | (1,825.91)     | (1,714.32)     | (589.93)       |
| Deferred Tax recongised in OCI                 | 0.87           | (42.00)        | -              |
|  | (1,825.04)     | (1,756.32)     | (589.93)       |

Disclosures:

The Company has provided for Deferred Tax in accordance with the Ind AS 12 Income Tax 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 given above.

## 22. OTHER NON CURRENT LIABILITIES

(₹ in lakhs)

|                                  | March 31, 2018 | March 31, 2017 | April 01, 2016 |
|----------------------------------|----------------|----------------|----------------|
| Advance from Customers (Exports) | 2,081.28       | -              | -              |
|                                  | 2,081.28       | -              | -              |

**23. BORROWINGS**

(₹ in lakhs)

|                                  | March 31, 2018 | March 31, 2017 | April 01, 2016 |
|----------------------------------|----------------|----------------|----------------|
| Working Capital Loans from Banks | 12,211.42      | 14,078.86      | 13,085.59      |
|                                  | 12,211.42      | 14,078.86      | 13,085.59      |

## Disclosures

Working Capital Loans given above includes loans taken from various banks the details of which are as follows:

| Particulars                            | Period of maturity with reference to Balance Sheet date | Outstanding amount | Rate of Interest     | Overdue amount and period (₹ in Cr.) |
|--|---|--------------------|----------------------|--------------------------------------|
| 1. State Bank of India<br>Cash Credit  | Renewable every year                                    | ₹ 4,350.92         | Base Rate plus 2.75% | 21.20                                |
| 2. Allahabad Bank<br>Cash Credit       | Renewable every year                                    | ₹ 4,058.13         | Base Rate plus 2.75% | 0.61                                 |
| 3. Indian Overseas Bank<br>Cash Credit | Renewable every year                                    | ₹ 3,802.37         | Base Rate plus 2.75% | 8.16                                 |

## Security:

Working Capital 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 charge on movable properties other than Processing Plant II.

**24. TRADE PAYABLES**

(₹ in lakhs)

|   | March 31, 2018 | March 31, 2017 | April 01, 2016 |
|---|----------------|----------------|----------------|
| Trade Payables for Materials and Services | 2,368.29       | 2,860.06       | 3,049.26       |
|   | 2,368.29       | 2,860.06       | 3,049.26       |

## Disclosures

The Company has no information as to whether any of its vendors constitute a "Supplier" within the meaning of Section 2 (n) of the Micro, Small and Medium Enterprises Development Act, 2006 as no declarations were received under the said Act from them.

**25. OTHER FINANCIAL LIABILITIES**

(₹ in lakhs)

|                              | March 31, 2018 | March 31, 2017 | April 01, 2016 |
|------------------------------|----------------|----------------|----------------|
| Interest Accrued but not due | -              | -              | 0.42           |
| Interest Accrued and due     | 985.99         | 465.82         | -              |
| Unclaimed Dividends          | 234.79         | 201.58         | 250.41         |
|                              | 1,220.78       | 667.40         | 250.83         |

## Disclosures

Interest on Bank borrowings from State Bank of India and Allahabad Bank (only for the month of March, 2018) has been provided as per Companies' Calculations.

**26. OTHER CURRENT LIABILITIES**

(₹ in lakhs)

|                        | March 31, 2018 | March 31, 2017 | April 01, 2016 |
|------------------------|----------------|----------------|----------------|
| Advance from Customers | 3,319.54       | 8.20           | 8.44           |
| Other Payables         | 176.87         | 176.76         | 13.94          |
|                        | 3,496.41       | 184.96         | 22.38          |



## 27. PROVISIONS

(₹ in lakhs)

|                                 | March 31, 2018 | March 31, 2017 | April 01, 2016 |
|---------------------------------|----------------|----------------|----------------|
| Provision for Employee benefits | 132.41         | 23.05          | 90.03          |
|                                 | 132.41         | 23.05          | 90.03          |

## 28. REVENUE FROM OPERATIONS

(₹ in lakhs)

|                          | March 31, 2018 | March 31, 2017 |
|--------------------------|----------------|----------------|
| Sale of Products         | 967.26         | 668.04         |
| Other Operating Revenues |                |                |
| a) Job works             | 124.58         | 68.93          |
| c) Sale of Scrap         | 28.10          | 1.08           |
|                          | 1,119.94       | 738.05         |

## 29. OTHER INCOME

(₹ in lakhs)

|                               | March 31, 2018 | March 31, 2017 |
|-------------------------------|----------------|----------------|
| Interest Income Earned        | 21.13          | 20.31          |
| Sale of Power                 | 36.36          | 43.79          |
| Profit on Sale of Assets      | 1.11           | -              |
| Excess Provision Written Back | -              | 46.60          |
| Miscellaneous Income          | -              | 428.56         |
|                               | 58.60          | 539.26         |

## 30. COST OF MATERIALS CONSUMED

(₹ in lakhs)

|                      | March 31, 2018 | March 31, 2017 |
|----------------------|----------------|----------------|
| Opening Stocks       | 1,155.91       | 1,337.98       |
| Add : Purchases      | 1,179.07       | 47.46          |
|                      | 2,334.98       | 1,385.44       |
| Less : Closing Stock | 1,767.29       | 1,155.91       |
|                      | 567.69         | 229.53         |

## 31. (INCREASE) / DECREASE IN INVENTORY

(₹ in lakhs)

|                                    | March 31, 2018 | March 31, 2017 |
|------------------------------------|----------------|----------------|
| Opening Finished Goods             | -              | -              |
| Closing Finished Goods             | 231.55         | -              |
|                                    | (231.55)       | -              |
| Opening Work-in-Progress and Scrap | 6,106.38       | 6,392.38       |
| Closing Work-in-Progress and Scrap | 5,690.39       | 6,106.38       |
|                                    | 415.99         | 286.00         |
| <b>Net (Increase) / Decrease</b>   | <b>184.44</b>  | <b>286.00</b>  |

**32. EMPLOYEE BENEFITS EXPENSE**

(₹ in lakhs)

|   | March 31, 2018 | March 31, 2017  |
|---|----------------|-----------------|
| Salaries and Wages                        | 681.71         | 1,206.28        |
| Contribution to Provident and Other Funds | 38.13          | 29.26           |
| Staff Welfare                             | 1.43           | 1.58            |
|   | <b>721.27</b>  | <b>1,237.12</b> |

**33. FINANCE COST**

(₹ in lakhs)

|                        | March 31, 2018  | March 31, 2017  |
|------------------------|-----------------|-----------------|
| Interest               | 1,912.93        | 1,799.89        |
| Interest on Income Tax | 1.93            | 0.89            |
| Other Borrowing Costs  | 45.10           | 28.47           |
|                        | <b>1,959.96</b> | <b>1,829.25</b> |

**34. DEPRECIATION AND AMORTIZATION EXPENSES**

(₹ in lakhs)

|                                   | March 31, 2018  | March 31, 2017  |
|-----------------------------------|-----------------|-----------------|
| Depreciation of tangible assets   | 2,149.47        | 2,187.69        |
| Amortization of intangible assets | 13.66           | 20.16           |
|                                   | <b>2,163.13</b> | <b>2,207.85</b> |

**35. OTHER EXPENSES**

(₹ in lakhs)

|   | March 31, 2018  | March 31, 2017 |
|---|-----------------|----------------|
| Consumption of Stores and Spares                              | 142.52          | 209.56         |
| Provision for Non-moving Stocks                               | 244.84          | -              |
| Power & Fuel  | 178.13          | 131.00         |
| Repairs to Machinery  | 32.52           | 13.18          |
| Insurance   | 40.04           | 44.29          |
| Rates and Taxes   | 11.63           | 14.10          |
| Selling and Distribution Expenses                             | 18.96           | 19.86          |
| Liquidated Damages  | 34.07           | 11.06          |
| Packing & Forwarding  | 16.46           | 0.95           |
| Excise Duty / GST   | 63.49           | 9.27           |
| Administrative Expenses                                       | 18.99           | 38.59          |
| Factory Maintenance   | 46.42           | 75.01          |
| Licence Fee   | 11.20           | 7.39           |
| Travelling and Conveyance Expenses                            | 28.84           | 31.13          |
| Professional & Consultancy Charges                            | 52.99           | 62.52          |
| Secretarial Expenses  | 25.21           | 33.70          |
| Sundry Balances Written Off                                   | 13.07           | 0.56           |
| Net Loss/(Gain) on Foreign Currency Transaction & Translation | 95.48           | 11.28          |
| Miscellaneous Expenditure                                     | 31.43           | 27.47          |
|   | <b>1,106.29</b> | <b>740.92</b>  |

**36. Disclosure as per schedule III of the act and Ind AS-37 on Provisions, Contingent Liabilities and Contingent assets:**
**Contingent liabilities :**

Claims against the company not acknowledged as debts

(₹ in lakhs)

|   | March 31, 2018 | March 31, 2017 |
|---|----------------|----------------|
| Income Tax - The revenue has appealed before Hon'ble High Court of Andhra Pradesh against the order of Hon'ble Income Tax appellate Tribunal, Hyderabad which was in favour of the Company in respect of deduction claimed u/s 80 HHC.            | 370.67         | 370.67         |
| Central Excise – Demand raised by the Central Excise Department in respect of process amounting to 'manufacture' and applicability of duty thereon in respect of certain products against which an appeal has been made before CESTAT, Bangalore. | 722.45         | 722.45         |

**37. Disclosure as per Ind AS – 12 Income tax**
**A. Income tax assessments:**

The company's income tax assessments were completed upto financial year 2013-14.

**B. The tax effects of significant temporary differences that resulted in deferred income tax asset and liability are as follows:**

(₹ in lakhs)

| Particulars                                    | March 31, 2018 | March 31, 2017 | April 01, 2016 |
|--|----------------|----------------|----------------|
| Difference in WDV of PPE and Intangible assets | (3,071.44)     | (4,026.00)     | (4,129.94)     |
| Carried forward losses                         | 2,552.31       | 1,945.95       | 374.52         |
| Post Employment Benefits                       | 48.24          | 44.45          | 19.10          |
| Other disallowances                            | 315.93         | 55.60          | -              |
| Net Deferred Taxes Assets / (Liabilities)      | (154.96)       | (1980.00)      | (3,736.32)     |

**C. The gross movement in the deferred income tax account for the years ended March 31, 2018 and March 31, 2017 is as follows:**

(₹ in lakhs)

| Particulars   | March 31, 2018 | March 31, 2017 |
|---|----------------|----------------|
| Net deferred tax liability at the beginning         | 1,980.00       | 3,736.32       |
| Credit / (charge) relating to temporary differences | 1825.04        | 1,756.32       |
| Net deferred income tax liability at the end        | 154.96         | 1,980.00       |

### 38. Disclosure as per Ind AS-19 – Employee benefits

#### a. Defined Contribution Plan

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

(₹ in lakhs)

|   | 2017 - 2018 | 2016-2017 |
|---|-------------|-----------|
| Employer's Contribution to Provident Fund | 27.47       | 25.46     |
| Employer's Contribution to ESI            | 7.89        | 1.42      |

#### b. Defined Benefit Plan

##### I. Gratuity obligation of the company:

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 Actuarial Valuation.

##### Assets and Liability (Balance sheet position)

(₹ in lakhs)

| Particulars                 | March 31, 2018 | March 31, 2017 |
|-----------------------------|----------------|----------------|
| Present value of obligation | 143.08         | 123.29         |
| Fair value of plan assets   | 39.34          | 39.52          |
| Surplus / (deficit)         | -              | -              |
| Net asset / (liability)     | (103.74)       | (83.77)        |

##### Expense recognised during the period

(₹ in lakhs)

| Particulars  | March 31, 2018 |
|--|----------------|
| In Income statement (P&L a/c – expense provision)  | 23.26          |
| In other comprehensive income (Balance sheet item) | (3.29)         |

##### Changes in the present value of obligation

(₹ in lakhs)

| Particulars                                      | For the period ending |                |
|--|-----------------------|----------------|
|  | March 31, 2018        | March 31, 2017 |
| Present value of obligations as at the beginning | 123.29                | 473.18         |
| Interest cost                                    | 8.24                  | 20.29          |
| Current Service Cost                             | 10.76                 | 39.25          |
| Past service cost – (Vested benefits)            | 6.88                  | -              |
| Benefits Paid                                    | (0.32)                | (402.41)       |
| Actuarial (Gain) / Loss on obligation            | (5.77)                | (7.02)         |
| Present value of obligations as at the end       | 143.08                | 123.29         |
| Bifurcation of net liability                     |                       |                |
| Current liability (Short Term)                   | 16.99                 | 12.53          |
| Non-current liability (Long Term)                | 126.09                | 110.76         |
| Net liability                                    | 143.08                | 123.29         |

**Changes in the fair value of plan assets**

(₹ in lakhs)

| Particulars                                     | For the period ending |                |
|---|-----------------------|----------------|
|   | March 31, 2018        | March 31, 2017 |
| Fair value of plan assets as at the beginning   | 39.52                 | 427.62         |
| Adjustment to opening Fair value of plan asset  | (0.01)                | (0.06)         |
| Return on plan assets excluding Interest Income | (2.48)                | (2.51)         |
| Interest Income                                 | 2.63                  | 16.88          |
| Benefits Paid                                   | (0.32)                | (402.41)       |
| Fair value of plan assets as at the end         | 39.34                 | 39.52          |

**Expense recognised in the Income Statement**

(₹ in lakhs)

| Particulars                                | March 31, 2018 |
|--|----------------|
| Current Service Cost                       | 10.77          |
| Past Service Cost                          | 6.88           |
| Interest Cost                              | 5.60           |
| Expense recognised in the Income statement | 23.26          |

**Other Comprehensive Income**

(₹ in lakhs)

| Particulars                               | March 31, 2018 |
|---|----------------|
| Actuarial (gains) / losses                |                |
| Actuarial (gains) / losses on obligations | (5.77)         |
| Actuarial (gains) / losses on plan assets | 2.48           |
| Total OCI                                 | (3.29)         |

**II. Long Term compensated absences – Leave Encashment**
**Assets and Liability (Balance sheet position)**

(₹ in lakhs)

| Particulars                 | March 31, 2018 | March 31, 2017 |
|-----------------------------|----------------|----------------|
| Present value of obligation | (20.80)        | 52.06          |
| Fair value if plan assets   | -              | -              |
| Surplus / (deficit)         | -              | -              |
| Net asset / (liability)     | (20.80)        | (52.06)        |

**Expense recognised during the period**

(₹ in lakhs)

| Particulars                                       | March 31, 2018 |
|---|----------------|
| In Income statement (P&L a/c – expense provision) | 10.44          |

**Changes in the present value of obligation**

(₹ in lakhs)

| Particulars                                      | For the period ending |                |
|--|-----------------------|----------------|
|  | March 31, 2018        | March 31, 2017 |
| Present value of obligations as at the beginning | 5.21                  | 43.95          |
| Interest cost                                    | 0.33                  | 3.03           |
| Current Service Cost                             | 10.10                 | 37.20          |
| Benefits Paid                                    | (0.17)                | (6.53)         |
| Actuarial (Gain) / Loss on obligation            | 5.33                  | (72.44)        |
| Present value of obligations as at the end       | 20.80                 | 5.21           |
| Bifurcation of net liability                     |                       |                |
| Current liability (Short Term)                   | 2.56                  | 0.42           |
| Non-current liability (Long Term)                | 18.24                 | 4.79           |
| Net liability                                    | 20.80                 | 5.21           |

**Changes in the fair value of plan assets**

(₹ in lakhs)

| Particulars                                     | For the period ending |                |
|---|-----------------------|----------------|
|   | March 31, 2018        | March 31, 2017 |
| Fair value of plan assets as at the beginning   | -                     | -              |
| Adjustment to opening Fair value of plan asset  | -                     | -              |
| Return on plan assets excluding Interest Income | -                     | -              |
| Interest Income                                 | -                     | -              |
| Contribution by employer                        | 0.17                  | 6.53           |
| Benefits Paid                                   | (0.17)                | (6.53)         |
| Fair value of plan assets as at the end         | -                     | -              |

**Expense recognised in the Income Statement**

(₹ in lakhs)

| Particulars                                | March 31, 2018 |
|--|----------------|
| Current Service Cost                       | 10.10          |
| Past Service Cost                          | -              |
| Interest Cost                              | 0.33           |
| Expense recognised in the Income statement | 10.43          |

**III. Investment Details:**

(₹ in lakhs)

| Particulars | % Invested<br>As at 31st<br>March 2018 | % Invested<br>As at 31st<br>March 2017 |
|-------------|--|--|
| L.I.C.      | 100                                    | 100                                    |

#### IV. Actuarial assumptions:

(₹ in lakhs)

|   | Gratuity<br>(Funded)<br>2017-18 | Leave<br>Encashment<br>(Non funded)<br>2017-18 | Gratuity<br>(Funded)<br>2016-17 | Leave<br>Encashment<br>(Non funded)<br>2016-17 |
|---|---------------------------------|--|---------------------------------|--|
| Mortality Table (LIC)                                 |                                 |  |                                 |  |
| Discount rate (per annum)                             | 7.33%                           | 7.33%  | 6.69%                           | 6.69%  |
| Expected rate of return on plan assets<br>(Per annum) |                                 | 7.71%  | -                               | 7.71%-   |
| Rate of escalation in salary (per annum)              | 4%                              | 4%   | 4%                              | 4%   |

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.

#### 39. Disclosure as per Ind AS – 21 – The effects of changes in foreign exchange rates

##### Un-hedged foreign currency exposure at the yearend:

(₹ in lakhs)

| Particulars    | March 31, 2018 | March 31, 2017 |
|----------------|----------------|----------------|
| Trade payables | 717.97         | -              |

(₹ in lakhs)

| Particulars   | March 31, 2018 | March 31, 2017 |
|---|----------------|----------------|
| a. Exchange differences arising out of settlement / translation on account of export sales for the year | (77.28)        | 10.65          |
| b. Exchange differences arising out of settlement / translation on account of previous year., imports   | (16.68)        | (0.05)         |
| c. Exchange differences arising out of settlement / translation on account of others                    | (1.52)         | (21.88)        |
| Net gain / (loss) recognised during the year  | (95.48)        | (11.28)        |

#### 40. Disclosure as per Ind AS – 33 Earning per Share:

(₹ in lakhs)

| Particulars   | March 31, 2018 | March 31, 2017 |
|---|----------------|----------------|
| Total No. of Shares (₹ in lakhs)                      | 4428.95        | 4428.95        |
| Profit after Taxes and exceptional items (₹ in lakhs) | (3702.35)      | (8779.70)      |
| Earning per share Basic & Diluted (₹ 10 per share)    | (8.36)         | (19.82)        |

**41. Disclosure as per Ind AS-108 Operating segments:**

The Segmental Reporting is given for Sales and Services since the Company is predominantly engaged in the manufacture and sale of Drill Pipe and Allied Products, Oil Country Tubular Goods (OCTG) and Services associated with the product.

(₹ in lakhs)

| Particulars  | 2017-2018         | 2016-2017          |
|--|-------------------|--------------------|
| <b>1 Segment Revenue (Sales and Income from Services)</b>        |                   |                    |
| - DRILL PIPE AND ALLIED PRODUCTS                                 | 546.19            | 314.05             |
| - OCTG SALES   | 332.18            | 346.47             |
| - OCTG SERVICES  | -                 | -                  |
| - OTHER SALES AND SERVICES                                       | 241.57            | 77.53              |
| <b>Total Segment Revenue</b>                                     | <b>1,119.94</b>   | <b>738.05</b>      |
| <b>2 Segment Results Profit / (Loss) before Interest and Tax</b> |                   |                    |
| - DRILL PIPE AND ALLIED PRODUCTS                                 | (1768.40)         | (3,856.17)         |
| - OCTG SALES   | (1075.50)         | (4,524.25)         |
| - OCTG SERVICES  | -                 | -                  |
| - OTHER SALES AND SERVICES                                       | (782.13)          | (951.98)           |
| <b>Total Segment Results</b>                                     | <b>(3,626.03)</b> | <b>(9,062.40)</b>  |
| <b>3 Unallocable Income / (Expenses) - Net</b>                   |                   |                    |
| Less : Interest & Other Income / (Expenses)                      | (1,901.36)        | (1,289.99)         |
| <b>Total Profit Before Tax and After Exceptional Items.</b>      | <b>(5,527.39)</b> | <b>(10,352.39)</b> |
| <b>4 Segment Assets</b>  |                   |                    |
| - DRILL PIPE AND ALLIED PRODUCTS                                 | 57.29             | 48.36              |
| - OCTG SALES   | 34.85             | 53.35              |
| - OCTG SERVICES  | -                 | -                  |
| - OTHER SALES AND SERVICES                                       | 25.34             | 11.93              |
| <b>Total Segment Assets</b>                                      | <b>117.48</b>     | <b>113.64</b>      |
| - Un-allocable Assets  | 33,582.59         | 35,483.10          |
| <b>Total</b>   | <b>33,700.07</b>  | <b>35,596.74</b>   |
| <b>5 Segment Liabilities</b>                                     |                   |                    |
| - DRILL PIPE AND ALLIED PRODUCTS                                 | 1,155.00          | 1,217.00           |
| - OCTG SALES   | 702.45            | 1342.62            |
| - OCTG SERVICES  | -                 | -                  |
| - OTHER SALES AND SERVICES                                       | 510.84            | 300.44             |
| <b>Total Segment Liabilities</b>                                 | <b>2,368.29</b>   | <b>2,860.06</b>    |
| - Un-allocable Liabilities                                       | 19392.03          | 17,094.58          |
| <b>Total</b>   | <b>21,760.31</b>  | <b>19,954.64</b>   |
| <b>6 Capital Employed</b>  |                   |                    |
| - Un-allocable   | 11,939.75         | 15,642.10          |

Note: Capital Employed includes Share Capital and Reserves other than Revaluation Reserve.



**42. Disclosure as per Ind AS – 24 – Related party disclosures**

(₹ in lakhs)

| Sl. No. | Particulars of the party                       | Relationship                   | Nature of Transactions                                 | March 31, 2018   | March 31, 2017 |
|---------|--|--------------------------------|--|------------------|----------------|
| A       | United Steel Allied Industries Private Limited | One of the Director is related | Office Rent<br>Closing Balance DR / (CR)               | -<br>(362.85)    | -<br>(362.85)  |
| B       | USAI Forge Private Limited                     | One of the Director is related | Sales / Material Purchase<br>Closing Balance DR / (CR) | 2.88<br>(523.55) | -<br>(516.44)  |

**Remuneration to Directors included under the head Employee Benefits Expense is as follows:**

| Sl. No. | Particulars of the party | Relationship                                | Nature of Transactions   | March 31, 2018 | March 31, 2017 |
|---------|--------------------------|---|--------------------------|----------------|----------------|
| A       | Sri K.Suryanarayana      | Key Management Personnel-Chairman           | Remuneration             | 39.12          | 39.12          |
| B       | Sri Sridhar Kamineni     | Key Management Personnel -Managing Director | Remuneration as Director | 49.44          | 49.44          |

**43. Remuneration to Auditor (excluding GST):**

(₹ in lakhs)

|                      | 2017-2018 | 2016-2017 |
|----------------------|-----------|-----------|
| As Auditor           | 4.00      | 4.00      |
| For Taxation Matters | 0.50      | 0.50      |
| For Other Services   | 0.75      | 2.46      |

**44. Previous year figures as per previous GAAP have been regrouped / re arranged / reclassified wherever considered necessary to conform to the classifications / disclosures of the current year.**

Per our report attached  
for **G NAGENDRASUNDARAM & CO**  
Chartered Accountants  
(FRN 005355S)

**G NAGENDRASUNDARAM**  
Proprietor  
M.No. 050283

Place : Hyderabad  
Date : April 26th, 2018

*For and on behalf of the Board of Directors*

**K SURYANARAYANA**  
Chairman  
DIN : 00078950

**K V RAVINDRA REDDY**  
Director  
DIN : 00083986

**SRIDHAR KAMINENI**  
Managing Director  
DIN : 00078815

**A P VITTHAL**  
Director  
DIN : 00061080

**Dr. T S SETHURATHNAM**  
Director  
DIN : 00042704



**OIL COUNTRY TUBULAR LIMITED**

(CIN: L26932TG1985PLC005329)

Regd Office: "Kamineni", 3<sup>rd</sup> Floor, King Koti, Hyderabad – 500 001

Email: demat@octlindia.com, website: www.octlindia.com

**Form 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]

|                      |              |
|----------------------|--------------|
| Regd. Folio No.      | *DP ID :     |
| No. of Shares held : | *Client ID : |

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

1. Name & Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him/her

2. Name & Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him/her

3. Name & Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him/her

and whose signatures are appended below as my/our proxy to attend and vote, in case of a poll, for me/us and on my/our behalf at the 32nd Annual General Meeting of Oil Country Tubular Limited will be held on Saturday, the 11th day of August, 2018 at 10.00 A.M. at One Continent Hotel, 4th Floor, Above Brand Factory, Beside TajMahal Hotel, Sky Diner Hall, 4-1-1001, Abids Road, Hyderabad – 500 001 and at any adjournment thereof in respect of resolutions are indicated below:

| Sl No. | Resolution(s)   | Vote |         |
|--------|---|------|---------|
|        |   | For  | Against |
| 1      | Adoption of Audited financial statements for the year ended 31.03.2018                      |      |         |
| 2      | Re-appointment of Mrs. K Indira as Director   |      |         |
| 3      | Re-appointment of M/s G Nagendrasundaram & Co. Chartered Accountants as Statutory Auditors. |      |         |

\* Applicable for investors holding shares in Electronic form.

Signed \_\_\_\_\_ this day of \_\_\_\_\_ 2018

Signature of shareholder: \_\_\_\_\_

Signature of Proxy holder(s): \_\_\_\_\_



Signature of the shareholder across Revenue stamp

**Note:**

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- 2) The proxy need not be a member of the company



**OIL COUNTRY TUBULAR LIMITED**

(CIN: L26932TG1985PLC005329)

Regd Office: "Kamineni", 3rd Floor, King Koti, Hyderabad – 500 001

Email: demat@octlindia.com, website: www.octlindia.com

**ATTENDANCE SLIP**

(To be handed over at the entrance of the meeting hall)

Full name of the member attending \_\_\_\_\_

Member's Folio No/ Client ID : \_\_\_\_\_ No. Of shares held: \_\_\_\_\_

Name of Proxy \_\_\_\_\_

(To be filled in, if the Proxy attends instead of the member)

I hereby record my presence at the 32nd Annual General Meeting of the Oil Country Tubular Limited, held on Saturday, the 11th August, 2018 at 10.00 a.m., at One Continent Hotel, 4th Floor, Above Brand Factory, Beside Taj Mahal Hotel, Sky Diner Hall, 4-1-1001, Abids Road, Hyderabad – 500 001.

.....  
Member's / Proxy's Signature

**Note:**

- 1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
- 2) The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
- 3) A Proxy need not be a member of the Company.
- 4) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- 5) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.



## OIL COUNTRY TUBULAR LIMITED

(CIN: L26932TG1985PLC005329)

Regd Office: "Kamineni", 3rd Floor, King Koti, Hyderabad – 500 001

Email:demat@octlindia.com, website:www.octlindia.com

### 32ND ANNUAL GENERAL MEETING Voting Through Electronic Means

Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the revised Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Company is providing e-voting facility to the Members of the Company, the facility to vote at the 32nd Annual General Meeting to be held on Saturday, the 11th August, 2018. Members of the Company can transact all the items of the business through electronic voting system, provided by Central Depository Services Limited, as contained in the Notice of 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.

The Company has appointed Ms. Manjula Aleti Practicing Company Secretary, who in the opinion of the Board is a duly qualified person, as a Scrutinizer who will collate the electronic voting process in a fair and transparent manner. The Scrutinizer shall within a period of three working days from the date of conclusion of the shareholders meeting, submit her report after consolidation of e-voting and the votes in the shareholders meeting, cast in favour of or against, if any, to the Chairman of the Company. Results will be uploaded on the Company's website as well as intimated to the Stock Exchanges (BSE & NSE).

The procedure and instructions for members for voting electronically are as under:

- i) The voting period begins at 9.00 A.M. on 8th August, 2018 and ends at 5.00 P.M. on 10th August, 2018. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 27th July, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- iv) Click on Shareholders.
- v) Now Enter your User ID :
  - a) For CDSL:– 16 digits beneficiary ID
  - b) For NSDL:– 8 Character DPID followed by 8 Digits Client ID
  - c) Members holding shares in Physical Form should enter Folio Number registered with the Company
- vi) Next enter the Image Verification as displayed and Click on Login.
- vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- viii) If you are a first time user follow the steps given below:

#### For Members holding shares in Demat Form and Physical Form

|  |   |
|--|---|
| PAN  | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>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.</p> <p>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.</p> |
| Dividend Bank Details OR Date of Birth (DOB) | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (v)</p>   |



- ix) After entering these details appropriately, click on “SUBMIT” tab.
- x) 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.
- xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii) Click on the EVSN (180531005) for the relevant Oil Country Tubular Limited on which you choose to vote.
- xiii) 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.
- xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xv) 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.
- xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xviii) If demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix) 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.
- xx) 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](http://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](mailto: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](mailto: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.

- i) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 27th July, 2018 may follow the same instructions as mentioned above for e-Voting.

- xxi) 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

Yours Sincerely,  
For Oil Country Tubular Ltd

Place : Hyderabad  
Date : April 26th, 2018

**K Suryanarayana**  
Chairman



### E-Voting Page

| Resolution No.<br>as per Notice | Particulars  | No. of<br>Shares Held | Assent | Dissent |
|---------------------------------|--|-----------------------|--------|---------|
|                                 | <b>Ordinary Business</b>   |                       |        |         |
| 1                               | Adoption of Audited financial statements for the year ended 31.03.2018                       |                       |        |         |
| 2                               | Re-appointment of Mrs. K Indira as Director  |                       |        |         |
| 3                               | Re-appointment of M/s G Nagendra Sundaram & Co. Chartered Accountants as Statutory Auditors. |                       |        |         |



If undelivered, please return to:

**Oil Country Tubular Ltd.**

Regd. Office: 'KAMINENI', 3<sup>rd</sup> Floor,  
King Koti, Hyderabad - 500 001, India