

**44<sup>th</sup> Annual Report  
2013 - 2014**



**INCON ENGINEERS LIMITED**



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**BOARD OF DIRECTORS**

<b>SRI SREEDHAR CHOWDHURY</b>	Chairman & Managing Director
<b>SRI S.MANO HAR RAJU</b>	Director
<b>SRI A.SUBBA RAO</b>	Director
<b>Dr. B. NEETA KUMARI</b>	Director
<b>AUDITORS</b>	M/s Brahmayya & Co Flat No.403 & 404 Golden Green Apartment Irrum Manzil Colony, Hyderabad – 500 082
<b>BANKERS</b>	M/s. State Bank of India Commercial Branch Flat No.101 to 106 A, Ashoka My Home Chambers Block B., S.P. Road, Secunderabad
<b>REGISTERED OFFICE &amp; FACTORY</b>	B-6/3, I.D.A., Uppal, Hyderabad —500 039
<b>REGISTRARS &amp; SHARE TRANSFER AGENTS (PHYSICAL &amp; DEMAT)</b>	Venture Capital and Corporate Investments Pvt. Ltd. 12-10-167, Bharat Nagar, Hyderabad-500 018.
<b>STOCK EXCHANGE LISTINGS</b>	Bombay Stock Exchange Ltd. P.J.Towers, 25 <sup>th</sup> Floor, Dalal Street, MUMBAI-400 001  The Calcutta Stock Exchange Association Limited., 7, Lyons Range, KOLKATA-700001. (Applied for delisting and awaiting delisting approval)

**Note on Depository**

It may be noted that the Shares of the Company have been included in the list of securities for compulsory trading in dematerialised form for all investors w.e.f. 01.01.2002. Shareholders are therefore advised to dematerialise their shareholding to avoid inconvenience in future. The Company has entered into necessary arrangements with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL), to enable the Shareholders to dematerialise their shareholding in the Company, for which they may contact the depository participants of either of the above Depositories.



## INCON ENGINEERS LIMITED

### NOTICE:

NOTICE is hereby given that the 44th Annual General Meeting of the members of Incon Engineers Limited will be held on Tuesday, the 30th September, 2014 at 10.00 a.m. at the Registered Office of the Company at B-6/3, I.D.A. Uppal, Hyderabad - 500039 to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2014 including the Balance Sheet, Profit & Loss Account and report of the Board of Directors and Auditors thereon.
2. Dr. B. Neeta Kumari retires by rotation at the ensuing Annual General Meeting and is not seeking re-appointment.
3. To consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:  
"RESOLVED that M/s. Brahmayya & Co., Chartered Accountants, bearing Registration No.000513S, be and are hereby reappointed as statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, at such remuneration to be fixed by the Board of Directors of the Company."

### SPECIAL BUSINESS

4. Appointment of Mr. S. Manohar Raju as Independent Director of the Company:  
To Consider and if thought fit, to pass the following resolution with or without modification(s) as an ordinary resolution:  
"RESOLVED that pursuant to the provisions of Section 149, 152 and such other provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013, Mr. S. Manohar Raju (DIN No. 00188956), Director of the Company, who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under section 160 of the Companies Act, 2013, signifying his intention to propose Mr. S. Manohar Raju as a candidate for the office of the Director of the Company, be and is hereby appointed as an independent Director of the Company to hold office upto a term of five consecutive years from the date of this appointment, not liable to retire by rotation."
5. Appointment of Mr. A. Subba Rao as Independent Director of the Company:  
To Consider and if thought fit, to pass the following resolution with or without modification(s) as an ordinary resolution:  
"RESOLVED that pursuant to the provisions of Section 149, 152 and such other provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013, Mr. A. Subba Rao (DIN No.00313644), Director of the Company, who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under section 160 of the Companies Act, 2013, signifying his intention to propose Mr. A. Subba Rao as a candidate for the office of the Director of the Company, be and is hereby appointed as an independent Director of the Company to hold office upto a term of five consecutive years from the date of this appointment, not liable to retire by rotation."

By order of the Board of Directors of  
INCON ENGINEERS LIMITED

Place: Hyderabad

Date : 27.05.2014

Registered Office :

B-6/3, I.D.A. Uppal, Hyderabad-500039 (Telangana)

CIN: L74210TG1970PLC001319

Email: incon@incon.in / inconengineers@gmail.com

Website: www.incon.in

Tel.No. +91-40-27203943

Fax No.: +91-40-27201271

SREEDHAR CHOWDHURY  
CHAIRMAN & MANAGING DIRECTOR



### NOTES

1. **IN TERMS OF THE PROVISIONS OF SECTION 105 OF THE COMPANIES ACT, 2013, READ WITH RULE 19 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTMENT A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PERSON CAN BE A PROXY FOR MEMBERS NOT EXCEEDING 50 (FIFTY) AND HOLDING IN AN AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. PROVIDED THAT A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. A PROXY FORM FOR THE MEETING IS ENCLOSED.**
2. In terms of the provisions of Section 102 of the Companies Act, 2013, a statement setting out the material facts concerning special business to be transacted at the Meeting is annexed and forms part of the Notice.
3. Copies of the Notice of 44th Annual General Meeting together with the Annual Report are being sent by Electronic Mode to all the Members whose email addresses are registered with the Company/Depository Participant(s) for communication purposes. Hard copies of Annual Report will be supplied to those Shareholders holding shares in Electronic Mode, as and when requested. For Members who have not registered their email addresses, physical copies of the Annual Report are being sent by the permitted mode.
4. Corporate Members intending to send their authorized representative(s) to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing such representative(s) to attend and vote on their behalf at the Meeting.
5. Details under Clause 49 of the Listing Agreement entered with the Stock Exchanges in respect of the Director seeking appointment at the ensuing Annual General Meeting form an integral part of the Corporate Governance Report.
6. The business set out in this Notice is also being conducted through e-voting in compliance with the provisions of Section 108 of the Companies Act, 2013, and Clause 35B of the Listing Agreement, the Company is pleased to offer the e-voting facility as an alternate to all its Members to enable them to cast their vote electronically instead of casting the vote at the Meeting. Please note that the Voting through Electronic Mode is optional. For this purpose the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating e-voting to enable the shareholders to cast their vote electronically.
7. Voting through Electronic means:
  - (i) The voting through electronic means will commence on Wednesday, the 24th September, 2014 at 10.00 a.m. and will end on Friday, the 26th September, 2014 at 6.00 p.m. During this period, shareholder of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, 29th August, 2014, may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above. PLEASE NOTE THAT USER ID AND PASSWORD FOR E-VOTING ARE AFFIXED ON THE FRONT PAGE OF THIS ANNUAL REPORT which will be sent to the share holders who do not have email IDs. Soft copies Annual Reports with user ID, and Password are sent to the share holders, who have registered their email IDs with R & T agents of the company.
  - (ii) The Company has appointed Mr. Sharad Gupta, Company Secretary in whole time practice (email: sharadgupta\_2006@yahoo.co.in) to act as the Scrutinizer for conducting the electronic voting process in a fair and transparent manner.



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- (iii) The procedure and instructions for the voting through electronic means as follows:
- a. Launch the internet browser by typing the following URL: <https://www.evoting.nsdl.com>.
  - b. Click on "Shareholder-Login" to cast your vote.
  - c. Put your user id and password mentioned at the bottom of the Proxy form being sent along with this notice. Members, whose e-mail addresses are registered with the Company/Depository Participants, are being informed their user Id and password details by email. Please use this password as the initial password. Click login. If you are already registered with NSDL for e-voting then you can use your existing user Id and password for login.
  - d. If you are logging in for the first time, Password Change Menu appears. Change the password of your choice with minimum 8 digits/characters or a combination thereof. Please note the new password for all the future e-voting cycles offered on NSDL e-voting Platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - e. Home page of "e-voting" opens. Click on "e-voting": Active Voting Cycles.
  - f. Select "EVEN (E-Voting Event Number)" of INCON ENGINEERS LIMITED which is **101030** For an EVEN, you can login any number of times on e-voting platform of NSDL till you have voted on the resolution during the voting period.
  - g. Now you are ready for "e-voting" as "Cast Vote" Page opens.
  - h. Cast your vote by selecting appropriate option and click "Submit" and also "Confirm" when prompted. Kindly note that vote once cast cannot be modified.
  - i. Institutional members (i.e. members other than individuals, HUF, NRIs, etc.) are also required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/ Authority Letter, etc. together with the attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer, Mr. Sharad Gupta, through email at: [sharadgupta\\_2006@yahoo.co.in](mailto:sharadgupta_2006@yahoo.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - j. Once the vote on a resolution is cast by a member, he shall not be allowed to change it subsequently.
  - k. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the "downloads" section of <https://www.evoting.nsdl.com> or contact NSDL by email at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - l. Members have an option to vote either through e-voting or casting a vote at the Meeting. If a Member has opted for e-voting, then he should not cast his vote at the Meeting also and vice-a-versa. However, in case a Member has cast his vote at the Meeting and also by e-voting, then voting done through e-voting shall prevail and voting done at the Meeting shall be treated as invalid.
  - m. The Scrutinizer will submit his report to the Chairman after completion of the scrutiny. The result of the voting on the Resolutions at the Meeting shall be announced by the Chairman or any other person authorised by him on or before 30<sup>th</sup> September, 2014.
8. Mr. Sharad Gupta, Company Secretary in Whole-time Practice, has been appointed as a Scrutinizer for conducting the e-voting process in a fair and transparent manner.
  9. The resolutions placed for e-voting shall be deemed to be passed on the date of the Annual General Meeting of Members scheduled to be held on 30<sup>th</sup> September, 2014.
  10. The Register of Members and Share Transfer Books will remain closed from 5<sup>th</sup> September, 2014 to 8<sup>th</sup> September, 2014 (both days inclusive) for the purpose of Annual General Meeting.
  11. Relevant documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days between 11.00 am to 5.00 pm upto the date of the Annual General Meeting.

By order of the Board of Directors of  
INCON ENGINEERS LIMITED

Place: Hyderabad  
Date : 27.05.2014

SREEDHAR CHOWDHURY  
CHAIRMAN & MANAGING DIRECTOR



## **INCON ENGINEERS LIMITED**

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**

#### **Item No.4**

Mr. S. Manohar Raju is an Independent Director of the Company. He joined the Board of Directors of the Company on 15.3.1994. He retires by rotation at the ensuing Annual General Meeting under the provisions of erstwhile Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013. Mr. S. Manohar Raju being eligible and seeking re-appointment is proposed to be appointed as an Independent Director for a term of five years. A Notice has been received from a Member proposing Mr. S. Manohar Raju as a candidate for the office of the Director of Company.

Company has received from Mr. S. Manohar Raju (1) consent in writing to act as Director (2) intimation to the effect that he is not disqualified under Sub-Section 2 of Section 164 of the Companies Act, 2013 and (3) a declaration to the effect that he meets the criteria of independence as provided in Sub-Section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of the members of the Company for appointment of Mr. S. Manohar Raju as an Independent Director of the Company for five consecutive years from the date of this appointment pursuant to provisions of Section 149 and such other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

No Director, Key Managerial personnel or their relatives, except Mr. S. Manohar Raju, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in item No.4 of the above approval of the Members.

#### **Item No.5**

Mr. A. Subba Rao is an Independent Director of the Company. He joined the Board of Directors of the Company on 13.10.1994. He retires by rotation at the ensuing Annual General Meeting under the provisions of erstwhile Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013. Mr. A. Subba Rao being eligible and seeking re-appointment is proposed to be appointed as an Independent Director for a term of five years. A Notice has been received from a Member proposing Mr. A. Subba Rao as a candidate for the office of the Director of Company.

Company has received from Mr. A. Subba Rao (1) consent in writing to act as Director (2) intimation to the effect that he is not disqualified under Sub-Section 2 of Section 164 of the Companies Act, 2013 and (3) a declaration to the effect that he meets the criteria of independence as provided in Sub-Section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of the members of the Company for appointment of Mr. A. Subba Rao as an Independent Director of the Company for five consecutive years from the date of this appointment pursuant to provisions of Section 149 and such other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

No Director, Key Managerial personnel or their relatives, except Mr. A. Subba Rao, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in item No.5 of the above approval of the Members.

By order of the Board of Directors of  
INCON ENGINEERS LIMITED

Place: Hyderabad

Date : 27.05.2014

SREEDHAR CHOWDHURY  
CHAIRMAN & MANAGING DIRECTOR



## INCON ENGINEERS LIMITED

### DIRECTORS' REPORT

To the Members,

Your Directors take pleasure in presenting the 44th Annual Report of the Company together with the Audited Accounts and Auditors' Report for the financial year ended on 31st March, 2014.

### FINANCIAL RESULTS AND OPERATIONS

The performance of the Company for the financial year ended 31st March, 2014 is summarized hereunder:

Details	For the year ended 31.03.2014	For the year ended 31.03.2013
Sales/ Income from operations	59.18	49.63
Other Income	7.66	7.69
Manufacturing Expenses	38.35	37.73
Other Expenses	19.48	19.37
Finance Cost	0.29	0.56
Gross Profit /(Loss) after Finance Cost before Depreciation & Tax	8.72	(0.34)
Depreciation	5.18	5.26
Net Profit /(Loss) before Tax for the year	3.54	(5.60)
Net Profit /(Loss) for the year	3.54	(5.60)

### OPERATIONS

The operations of the Company have improved with the income going upto to Rs.59.18 lakhs as compared to Rs.49.63 lakhs during the previous year. The Company made a net profit of Rs.3.54 lakhs after providing for depreciation of Rs.5.18 lakhs. Your Directors are hopeful of maintaining this trend during the current year with the orders in hand amounting to about Rs.70.00 lakhs.

### FIXED DEPOSITS

During the year under review, the Company has not accepted any fixed deposit within the meaning of Section 58A of the Companies Act, 1956.

### PARTICULARS OF EMPLOYEES

None of the employees whether employed throughout the year or part of the year were in receipt of remuneration exceeding limits specified in Section 217 (2A) of the Companies Act, 1956, and rules made thereunder.

### FOREIGN EXCHANGE EARNINGS AND OUTGO : Nil

### CONSERVATION OF ENERGY

Steps to optimize energy consumption in various manufacturing operations is being continuously taken; however, the Company's operations are not energy intensive.

### RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

1. Specific areas in which R & D carried out by the Company Design of Fluid Energy Mill and Classifiers.

### INDUSTRIAL RELATIONS

Your Company continues to enjoy the support from the workforce. Industrial Relations were cordial during the year under review.

### BOARD OF DIRECTORS

Dr. B. Neeta Kumari retires by rotation and not seeking the re-appointment.

Sri S. Manohar Raju retires by rotation being eligible for him self re-appointment at the forth coming Annual General Meeting.

Pursuant to Section 149 of the Companies Act, 2013, the tenure of the Independent Director is upto five consecutive years Board recommends appointment of Sri S. Manohar Raju, as Independent Director for a term of upto five consecutive years for approval of the Members of the Company at the ensuing Annual General Meeting.

Mr. A. Subba Rao retires by rotation and being eligible offers himself for re-appointment at the forthcoming Annual General Meeting.

Pursuant to Section 149 of the Companies Act, 2013, the tenure of the Independent Director is upto five consecutive years. Board recommends appointment of Mr. A. Subba Rao, as Independent Director for a term of upto five consecutive years for approval of the Members of the Company at the ensuing Annual General Meeting.

### AUDITORS

M/s. Brahmayya & Co. Chartered Accountants, Hyderabad, retire at the conclusion of the ensuing Annual General Meeting and being





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eligible offer themselves for re-appointment. The Board recommends their re-appointment at the ensuing Annual General Meeting.

### AUDITORS' REPORT

The Auditors' Report is unqualified.

### AUDIT COMMITTEE

Pursuant to the provisions of 292A of the Companies Act, 1956 and provisions of the Listing Agreement, the Company has constituted an Audit Committee. The composition, scope and powers of Audit Committee together with details meetings held during the year under review forms part of Corporate Governance Report.

### COST AUDIT

The Central Government has directed to conduct a Cost Audit in respect of the specified products of the Company. The Board of Directors of the Company accorded its approval for appointment of M/s. N.S.V. Krishna Rao & Company, Cost Accountants, D.No.12-2-823/A/78, Geetha Apartments, Lane Adj. to Chandana Brothers, Santosh Nagar Colony, Mehdiapatnam, Hyderabad-500028 as Cost Auditors of the Company.

### SUBSIDIARY COMPANIES

The Company does not have a subsidiary Company.

### MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

The application of ultra-fine powders is increasing in industry over the past few years. The demand for the Company's product will also increase and efforts need to be made to take advantage of this increased demand. Special efforts need to be made to ensure that the Company's products are known to potential users, so that additional sales are generated.

### CORPORATE GOVERNANCE REPORT

As per Clause 49 of the Listing Agreement, a separate section on Corporate Governance together with a Compliance Certificate from the Practicing Company Secretary forms part of this Annual Report.

### DIRECTORS' RESPONSIBILITY STATEMENT

The Audited Accounts for the year under review in conformity with the requirements of the Companies Act, 1956 and the Accounting Standards. The financial statements reflect fairly the form and substances of transactions carried out and reasonably present the Company's financial condition and results of operations. Your Directors confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- ii) that the accounting policies selected have been applied consistently and judgments and estimates that are made reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2014.
- iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; and
- iv) that the Annual Accounts of the Company have been prepared on 'going concern' basis.

### ACKNOWLEDGEMENT

The Board of Directors would like to thank Business Partners, Bankers, Investors and Auditors for their continued support and association. We would also like to place on record our appreciation of the collective contribution made by all the employees during the last year.

By order of the Board of Directors of  
INCON ENGINEERS LIMITED

Place: Hyderabad  
Date : 27.05.2014

SREEDHAR CHOWDHURY  
Chairman & Managing Director



## INCON ENGINEERS LIMITED

### CORPORATE GOVERNANCE:

The Company's policies have always been in accordance with the Code of Corporate Governance and hence the mandatory regulations now placed are being complied with. The Company's continued endeavor is to maintain a high level of accountability and transparency to its stakeholders.

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Company's philosophy on Corporate Governance envisages attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and in all interactions with its stakeholders, including the shareholders, investors, employees, lenders and government.

### BOARD OF DIRECTORS:

#### A. Composition:

The Board presently consists of four members. The Chairman & Managing Director, Sri Sreedhar Chowdhury, is the only Executive Director and manages the affairs of the Company subject to the general supervision, control and directions of the Board consisting of other three non-executive Directors. The independent Directors bring to the Company their wide experience in industry, finance and administration and contribute significantly to the various Board Committees.

All Directors except Chairman and Managing Director receive only sitting fees and do not have any other material pecuniary relationship or transactions with the Company, its management or its subsidiaries. In terms of the listing agreements at least one third of the Board should be of independent Directors. However, your Board comprises three Independent Directors out of total strength of four Directors:

S.No.	Name of the Director	
1.	Shri Sreedhar Chowdhury (Chairman & Managing Director)	Executive
2.	Shri S. Manohar Raju	Non-Executive
3.	Shri A. Subba Rao	Non-Executive
4.	Dr. B. Neeta Kumari	Non-Executive

The Board Meetings are held generally once in 3 months. During the year 2013-14, Six Board Meetings were held.

### B) Other Directorships Held :

Sl. No.	Name of the Director	Category	No. of other Directorships
1.	Shri Sreedhar Chowdhury (Chairman & Managing Director)	Executive	9
2.	Shri S. Manohar Raju	Non-Executive	2
3.	Shri A. Subba Rao	Non-Executive	—
4.	Dr. B. Neeta Kumari	Non-Executive	—

### TENURE :

As required by law, two third of the Directors should be retiring Directors and one third of them are required to retire every year and if eligible, qualify for re-appointment.

Dr. B. Neeta Kumari, Director, retires by rotation at the ensuing Annual General Meeting and is not seeking re-appointment.

Brief profile of the Director proposed to be appointed, as required in terms of the provisions of Clause 49 of the Listing Agreement:

Sl No	Particulars	Profile of the Director
1.	Name of the Director	Mr. S. Manohar Raju
2.	Date of Birth	15.08.1956
3.	Educational Qualification	Graduate
4.	Date of appointment on the Board	15.03.1994
5.	Category of the Director	Independent Director
6.	Area of Expertise / Senior Position Held / Work Experience	Over 35 years experience in industry with focus in finance.
7.	Details of Directorships in other Public Limited companies (including subsidiaries of Public Company)	Nil
8.	Names of the other Committees in which Chairman	Audit Committee Remuneration Committee
9.	Names of the other Committees in which Member	Audit Committee Remuneration Committee Investors Grievance Committee
10.	No. of shares held	52600



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Sl No	Particulars	Profile of the Director
1.	Name of the Director	Mr. A. Subba Rao
2.	Date of Birth	10.05.1954
3.	Educational Qualification	B.Tech. (Mechanical Engineering)
4.	Date of appointment on the Board	13.10.1994
5.	Category of the Director	Independent Director
6.	Area of Expertise / Senior Position Held / Work Experience	Worked in senior technical positions in various companies for over 38 years.
7.	Details of Directorships in other Public Limited companies (including subsidiaries of Public Company)	Nil
8.	Names of the other Committees in which Chairman	Nil
9.	Names of the other Committees in which Member	Audit Committee Remuneration Committee Investors Grievance Committee
10.	No. of shares held	10100

### RESPONSIBILITIES:

The Board has responsibilities like reviewing Corporate performance, ensuring availability of supplies at competitive rates and fulfilling shareholders' expectations. The Board members ensure that other responsibilities do not materially affect their responsibilities as a Director of the Company.

### ROLE OF INDEPENDENT DIRECTORS:

The Independent Directors play an important role in taking major decisions at the Board Meetings and bring to the Company their wide experience in different fields like finance, accounts, capital market, law and engineering. The Audit Committee consists of three Independent Directors, Investors' Grievance Committee consists of three Independent Directors and Managing Director and Remuneration Committee consists of three Independent Directors.

### BOARD MEETINGS:

As required by statute, the Board meets at least once in a quarter to review quarterly financial results and performance of the Company. The Directors have access to all information and records of the Company. Senior Officials are invited to attend the meetings and provide clarifications as and when required.

The Directors met Six times during the financial year 2013-14 i.e. on 30th May 2013, 22nd July, 2013, 12<sup>th</sup> August, 2013, 24<sup>th</sup> October, 2013, 12<sup>th</sup> November, 2013. 06<sup>th</sup> February, 2014, The gap between Board Meetings did not exceed four months.

A Sitting fee of Rs.2,500/- is paid to the Directors and a sitting fee of Rs.1,000/- is paid to Committee Members (other than to Shri Sreedhar Chowdhury, Chairman and Managing Director) for every Board Meeting attended by them. No Director is paid any commission on the net profit of the Company.

### BOARD COMMITTEES:

The Company is committed to transparency in all its dealings and to provide efficient and effective service. The Board has constituted Committees of Directors to deal with matters that need quick and timely decisions and overall supervision and guidance.

The Board has delegated certain powers to some of the Committees of the Board members, and these Committees decide the matters referred to it and report to the Board at the subsequent Board meetings. Board has constituted three Committees namely Audit Committee, Investors' Grievance Committee and Remuneration Committee.

### AUDIT COMMITTEE:

The Audit Committee was formed by the Board of Directors at their meeting held on 24th August, 2001. The Members of Audit Committee are Shri S. Manohar Raju, Shri A. Subba Rao and Dr. B. Neeta Kumari. The Audit Committee



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consists of Independent/non-Executive Directors, who are well versed in Finance, Accounts and Company Law. The terms of reference of Audit Committee include review of Audit procedures, financial reporting system, internal control system, control procedures and ensuring compliance with Statutory Guidelines issued by regulatory authorities. Meetings are scheduled well in advance.

The Committee met four times during the year under review. The Committee reviews quarterly, half-yearly and yearly financial results together with the reports of the Internal Auditors, Statutory Auditors and action taken reports of the management. The Audit Committee recommends the financial results for approval of the Board. The Head of Internal Audit attends the Audit Committee meetings and the Committee also invites Senior Executives from the Internal Audit department, if it considers appropriate to be present at any meeting.

### REMUNERATION COMMITTEE:

The Remuneration Committee was formed by the Board of Directors at their meeting held on 27th June, 2003. The Members of Remuneration Committee are Shri S. Manohar Raju, Shri. A. Subba Rao and Dr. B. Neeta Kumari. The Remuneration Committee consists of Independent/non-executive Directors. The terms of references of the Remuneration Committee pertain to determining the Company's policy on and approving remuneration packages for Managing Director / Executive Director.

### INVESTORS GRIEVANCE COMMITTEE:

This Committee consisting of Shri Sreedhar Chowdury, Chairman and Managing Director, Shri S. Manohar Raju, and Shri A. Subba Rao, Directors, has been formed on 30.04.2002 to review the complaints in respect of share transfer, transmission, splitting and consolidation of shares, issue of duplicate share certificates and other related matters. Chairman

of the Committee is a non-executive Director. As per SEBI's instructions, the transaction of the Company's shares has to be compulsorily in demat form. However, in respect of requests received for share transfer in physical form, the power to approve the same has been delegated to a Committee of Company Officials.

Shri Sreedhar Chowdhury, Chairman and Managing Director is, the Compliance Officer. During the year under review, no complaints were received from investors.

The attendance of Directors at the Board Meetings, Committee Meetings and 43<sup>rd</sup> Annual General Meeting is as under :

	No. of Board Meetings attended	No. of Audit Committee Meetings attended	No. of Investors' Grievance Committee Meetings attended	Attendance at 43 <sup>rd</sup> AGM
No. of Meetings held	6	4	1	1
<b>Directors</b>				
Shri Sreedhar Chowdhury	6	N.A.	1	-
Shri S. Manohar Raju	6	4	1	Present
Shri A. Subba Rao	6	4	1	Present
Dr. B. Neeta Kumari	6	4	N.A.	Present

N.A. = Not Applicable

### GOING CONCERN:

The Directors are satisfied that the Company has adequate resources to continue its business and accordingly has been adopting the going concern accounting principle in preparing Financial statements.

### LISTING OF EQUITY SHARES:

The Company's equity shares are listed on the stock exchanges at Mumbai and Kolkata and have been trading on BSE. However, as the Company's shares are very thinly traded on Stock Exchange at Hyderabad and Kolkata, it was decided to delist the same from these Stock Exchanges and application made by the Company in November 2005. The Company has received the delisting approval from the Regional Stock Exchange i.e Hyderabad Stock Exchange (HSE) and is under process at Calcutta Stock Exchange Association Ltd (CSE).



## INCON ENGINEERS LIMITED

### STEPS TAKEN FOR PROTECTION OF INVESTORS INTEREST:

#### I. SHARE CERTIFICATES

**a) Dematerialisation of Shares:**

As on 31st March, 2014, 3823127 Equity Shares representing 88.35% of the Share Capital of the Company have been dematerialised.

**b) Shares to be traded in Demat form:**

With effect from 1st January, 2002, the equity shares of the Company are traded on the Stock Exchanges only in dematerialized form.

**c) How to Dematerialise Shares:**

Shareholders who desire to dematerialise their shares can do so by opening a depository account with a Depository Participant (DP). They can then submit to the DP a dematerialisation request along with the relevant share certificates who will forward the same to the concerned Company or its Registrars and Transfer Agent (R&T Agent) for dematerialisation. After getting confirmation electronically from the Company / Registrars and Transfer Agent (R&T Agent) the DP will give credit for that holding in the shareholder's demat account.

The Company continues to have Depository facility with NSDL and CDSL for trading its shares in Demat form to give a wider choice to its shareholders.

#### II. DELIVERY OF SHARE CERTIFICATES

Where Shares are still held in physical form, the Company after effecting transfer of shares, sends intimation to the shareholders regarding the transfer and dispatch of share certificates. Where the share certificates have not been received by the concerned shareholders, the Company on being informed, immediately puts a temporary alert tag in respect of such share certificates. This would help to avoid fraudulent transfers.

#### III. PREVENTION FROM TAMPERING

In order to prevent forged transfer of shares, which might have been intercepted in transit,

the Company has started intimating the shareholders, especially in cases where share certificates are re-lodged for transfer within 2 months of the earlier transfer. Such intimations are sent by way of notice of lodgment inviting any objections to the proposed transfer of shares.

#### IV. ELECTRONIC TRANSFER

As 88.35% Shares of the Company are held in electronic form, transfer of shares takes effect promptly eliminating processing time as well ensuring safety of holdings.

#### V. DUPLICATE SHARES

The procedure for issue of duplicate share certificates has been streamlined. Efforts are made to dispatch duplicate share certificate/s within a period of 30 days from the date of receipt of duly completed documents by the R&T Agent of the Company.

#### Nomination facility to the Shareholders:

As per the latest amendment to the Companies Act, 1956, a shareholder can nominate the successors in case of his / her death. Shareholders who are interested in recording the nomination for their holdings may send Form 2B to the Company. Blank Nomination forms will be supplied on request.

#### MEANS OF COMMUNICATION:

The audited financial results are generally published in one National Newspaper and in the Regional Language newspaper.

Management Discussion and Analysis forms part of this Annual Report is provided elsewhere in this report.

#### GENERAL BODY MEETINGS:

Date, Time and venue for the last three Annual General Meetings are given below

Financial year	Date	Time	Venue
31 <sup>st</sup> March, 2011	23.09.2011	11.30 am	Registered office of the Company
31 <sup>st</sup> March, 2012	14.09.2012	11.00 am	Registered office of the Company
31 <sup>st</sup> March, 2013	26.09.2013	11.00 am	Registered office of the Company

#### GENERAL SHAREHOLDERS

#### INFORMATION:

a) As indicated in the Notice to our shareholders, the Annual General Meeting of the Company will be held on 30<sup>th</sup>



## INCON ENGINEERS LIMITED

September, 2014 at 10.00 a.m. at the Registered Office at B-6/3, Industrial Development Area, Uppal, Hyd - 500039.

**b) Tentative calendar of events for the Financial Year (2014-15) is given below:**

i) Un-audited/Audited Financial Results for :

- First quarter July, 2014
- Second quarter October, 2014
- Third quarter January, 2015
- Fourth quarter April, 2015

**c) Book Closure:** The books will be closed from 05-09-2014 to 08-09-2014 (both days inclusive) for the purpose of Annual General Meeting.

**d) The shares of the Company are listed on :**

- The Bombay Stock Exchange Ltd., Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001.
- The Calcutta Stock Exchange Association Ltd. 7, Lyons Range, Kolkatta-700001. (applied for delisting and awaiting delisting approval)

Depository for Equity Shares: CDSL and NSDL.

e) The listing fee for the years 2014-15 has been paid to Bombay Stock Exchange. However, the listing fee for Calcutta Stock Exchange is outstanding for 9 years.

f) Market Price Data:

The shares of the Company are thinly traded. The 52<sup>nd</sup> week high and low on BSE was Rs. 3.95 and Rs.3.76

**Distribution of Share Holding as on 31.03.2014**

No. of Equity shares held	Shareholders Number	Shareholders percentage	No. of Shares	Percentage
Upto - 5000	676	64.26	149756	3.46
5001 - 10000	192	18.25	175917	4.07
10001 - 20000	75	7.13	118992	2.75
20001 - 30000	30	2.85	77069	1.78
30001 - 40000	14	1.33	51276	1.18
40001 - 50000	17	1.62	81830	1.89
50001 - 100000	18	1.70	126273	2.92
100001 and Above	30	2.86	3545987	81.95
Total	1052	100.00	4327100	100.00

**MANDATORY / NON-MANDATORY PROVISIONS :**

We have adopted all the mandatory requirements (except where not relevant or applicable). Of the non-mandatory suggestions, we have adopted those relating to a Chairman's Office. There have been no transactions of a material nature of the Company with its promoters, Directors or the management, their subsidiaries or relatives, etc. and accordingly no potential conflict with the interests of the Company. There has been no case of non-compliance by the Company nor any strictures or penalties imposed by the Stock Exchange or SEBI or any statutory authority on any matter related to capital markets. The above report represents the Company's philosophy on, and implementation of, its corporate governance. Auditors' certification as required forms a part of this Annual Report.

**DECLARATION OF CODE OF CONDUCT :**

This is to confirm that the Board has laid down a code of conduct for all Directors and senior management personnel of the Company. It is further confirmed that all Directors and senior management personnel of the Company have affirmed compliance with the code of conduct of the Company for the financial year ended on 31.03.2014, as envisaged in clause 49 of the Listing Agreement with the Stock Exchanges.

Place: Hyderabad

Date : 27.05.2014

**SREEDHAR CHOWDHURY**

Chairman & Managing Director

**CERTIFICATION**

To,

The Board of Directors

INCON ENGINEERS LIMITED

We, Head-Operations and Chief Financial Officer of the Company, certify to the Board that:

a) We have reviewed the Financial Statements and the Cash Flow Statement for the financial year ended on 31st March, 2014 and to the best of our knowledge and belief:

- i. these statements do not contain any materially untrue statement or omit any



## INCON ENGINEERS LIMITED

material fact or contain statements that might be misleading;

and

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 are fraudulent, illegal or violate the Company's Code of Conduct.
- c) We accept the responsibility for establishing and maintaining internal controls for financial reporting, evaluate the effectiveness, disclosing the deficiencies in the design or operation of internal controls, if any, to the Auditors and the Audit Committee and take steps or propose to take steps to rectify these deficiencies.
- d) We have indicated, wherever applicable, to the Auditors and the Audit Committee:
- i. Significant changes in Internal Control over financial reporting during the year;
- ii. Significant changes in Accounting Policies, the same have been disclosed in the notes to the financial statements; and
- iii. Instances of significant fraud of which we have become aware.

For INCON ENGINEERS LIMITED

SREEDHAR CHOWDHURY  
Chairman, Managing Director &  
Chief Finance Officer

Place: Hyderabad  
Date: 27.05.2014

### CORPORATE GOVERNANCE CERTIFICATE

To the members of INCON ENGINEERS LIMITED, HYDERABAD.

We have examined the compliance of conditions of Corporate Governance by INCON ENGINEERS LIMITED, HYDERABAD. for the year ended on 31st March, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders Grievance Committee.

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

For Sharad Gupta & Company

Place: Hyderabad  
Date : 27-05-2014  
Sharad Gupta  
Company Secretary  
Membership No. A 5499 : CP 1464

### INDEPENDENT AUDITORS' REPORT

To the Members of INCON ENGINEERS LTD, Hyderabad.

#### Report on the Financial Statements:

We have audited the accompanying financial statements of INCON ENGINEERS LIMITED, ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, and the



## INCON ENGINEERS LIMITED

Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

As audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures selected depend on auditor's judgment, including the assessment of the risk of material misstatement of financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit

procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion :

In our opinion and to the best of our information and according to the explanations given to us, the 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.

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- b. In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c. In the case of Cash Flow Statement, of the cash flows for the year ended on that date

### Report on Other Legal and Regulatory Requirements :

1. As required by the Companies (Auditors' Report) Order, 2003, ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. **As required by section 227(3) of the Act, we report that:**
  - a We have obtained all the information and explanations which to the best of our





## INCON ENGINEERS LIMITED

knowledge and belief were necessary for the purposes of our audit.

- b In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;
- c the Balance Sheet, Statement of Profit and Loss, and Cash Flow statement dealt with by this Report are in agreement with the books of account.
- d In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; read with General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs.
- e On the basis of the written representations received from the Directors, as on March 31, 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2014, from being appointed as a Director in terms of clause (g) of sub- section (1) of Section 274 of the Companies Act, 1956;
- f Since the Central Government has not issued any notification as to the rate at which the Cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Brahmayya & Company  
Chartered Accountants  
Firm's Registration  
No. : 000513S

(P. CHANDRAMOULI)  
Partner

Place: Hyderabad  
Date : 27.05.2014

Membership No.025211

### Annexure to the Auditor's Report:

The Annexure referred to Para 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date, to the members INCON ENGINEERS LIMITED, HYDERABAD, for the year ended 31st March 2014.

- 1.a)The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As explained to us, the management has physically verified most of the fixed assets during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. No material discrepancies were noticed on such verification.
- c) During the year the Company has not disposed off any of its fixed assets.
- 2.a)The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification between the physical stocks and book records were not material.
- 3.a)The Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- b) In view of our comment in paragraph 3 (a) above, (III) (b), (c) & (d) of the paragraph 4 of the aforesaid order are not applicable to the Company.



## INCON ENGINEERS LIMITED

- c) During the year, the Company had taken unsecured loans from two parties covered in the register maintained under section 301 of the Companies Act, 1956 and the maximum amount involved during the year was Rs.11.30 Lakhs and there was no year ended balance out of the above.
- d) In our opinion the rate of interest and other terms and conditions on which loans have been taken from the other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the Company.
- e) In our opinion and according to the information and explanations given to us, the repayment of the principle amount and interest thereon are as per stipulations.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- 5.a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts of arrangements that need to be entered into the register maintained under section 301 of the companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at price which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted deposits from the public .Hence the provisions of Section 58A, 58AA and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable to the Company for the time being.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account relating to materials, labour and other Items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examinations of the same.
- 9 a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Investor Education and protection Fund, Employees' State Insurance, Income-tax, Sales tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty and Cess were in arrears as at March 31,2014 for a period of more than six months from the date they became payable.



## INCON ENGINEERS LIMITED

- c) According to the records of the company and the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess, which have not been deposited on account of any dispute. However an amount of Rs. 1,25,101/- is payable on account of Sales Tax which is disputed by the Company and such dispute is pending with Sales Tax Appellate Tribunal, Andhra Pradesh.
10. The accumulated losses of the Company as at the end of the financial year under reference are more than fifty percent of net worth of the Company. The Company has not incurred cash loss during the year covered by our audit and the Company has incurred cash loss in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions and banks.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. According to the information and explanations given to us, the Company has not obtained any term loans during the year.
17. In our opinion and according to the information and explanations given to us the funds raised on short-term basis have not been used for long-term investment.
18. During the year, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
19. During the year, the company has not issued any debentures, therefore the question of creating security or charge in respect thereof does not arise.
20. During the year, the company has not made any public issue and therefore the question of disclosing the end use of money raised by public issue does not arise.
21. Based upon the audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

For Brahmayya & Company  
Chartered Accountants  
Firm's Registration  
No. : 000513S

(P. CHANDRAMOULI)

Partner

Membership No. 025211

Place: Hyderabad  
Date : 27.05.2014



## INCON ENGINEERS LIMITED

### BALANCE SHEET AS AT 31ST MARCH, 2014

PARTICULARS	NOTES	31.03.2014 Rs.	31.03.2013 Rs.
<b>EQUITY AND LIABILITIES</b>			
<b>Share holders funds</b>			
Share Capital	04	57,137,500	57,137,500
Reserves and Surplus	05	(47,534,657)	(47,888,767)
		<u>9,602,843</u>	<u>9,248,733</u>
<b>Non - Current liabilities</b>			
Long Term Provisions	06	46,017	68,035
		<u>46,017</u>	<u>68,035</u>
<b>Current liabilities</b>			
Trade Payables	07	925,366	379,592
Other Current Liabilities	08	380,578	576,151
Short Term Provisions	09	1,074,747	1,001,105
		<u>2,380,691</u>	<u>1,956,848</u>
	<b>TOTAL</b>	<u>12,029,551</u>	<u>11,273,616</u>
<b>ASSETS</b>			
<b>Non - Current assets</b>			
Fixed assets :			
Tangible	10	7,846,672	8,341,060
Intangible	11	11,765	-
Long Term Loans and Advances	12	98,579	98,579
		<u>7,957,016</u>	<u>8,439,639</u>
<b>Current Assets</b>			
Inventories	13	2,632,243	907,813
Cash and Cash Equivalents	14	846,855	1,553,774
Short Term Loans and Advances	15	254,514	103,698
Other Current Assets	16	338,923	268,692
		<u>4,072,535</u>	<u>2,833,977</u>
	<b>TOTAL</b>	<u>12,029,551</u>	<u>11,273,616</u>
NOTES FORMING PART OF FINANCIAL STATEMENTS	01 - 36		

Per our report of even date  
For Brahmayya & Co.  
Chartered Accountants  
Firm's Registration No. : 000513S

For and on Behalf of the Board

Place: Hyderabad  
Date : 27.05.2014

**P. Chandramouli**  
Partner  
Membership No. 025211

**Sreedhar Chowdhury**  
Managing Director

**S. Manohar Raju**  
Director



## INCON ENGINEERS LIMITED

### STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

PARTICULARS	NOTES	31.03.2014 Rs.	31.03.2013 Rs.
<b>INCOME</b>			
Revenue from operations	17	5,917,969	4,963,464
Other Income	18	766,540	769,068
	<b>TOTAL REVENUE</b>	<b><u>6,684,509</u></b>	<b><u>5,732,532</u></b>
<b>EXPENSES</b>			
Cost of Raw Materials and Stores Consumed	19	2,974,243	1,093,020
(Increase)/Decrease in Inventories	20	(1,743,944)	43,499
Employee Benefit Expense	21	2,604,921	2,636,637
Finance Costs	22	29,201	56,333
Depreciation expense	23	518,418	526,399
Other Expenses	24	1,947,560	1,937,142
	<b>TOTAL EXPENSES</b>	<b><u>6,330,399</u></b>	<b><u>6,293,030</u></b>
<b>PROFIT / (Loss) BEFORE TAX</b>		<b>354,110</b>	<b>(560,498)</b>
TAX EXPENSE		-	-
<b>Profit / (Loss) for the year after Tax</b>		<b><u>354,110</u></b>	<b><u>(560,498)</u></b>
Earnings per Share of face Value of Rs.10/- each: Basic and diluted	25	0.08	(0.13)
<b>NOTES FORMING PART OF FINANCIAL STATEMENTS</b>	01 - 36		

Per our report of even date  
For Brahmayya & Co.  
Chartered Accountants  
Firm's Registration No. : 000513S

For and on Behalf of the Board

Place: Hyderabad  
Date : 27.05.2014

**P. Chandramouli**  
Partner  
Membership No. 025211

**Sreedhar Chowdhury**  
Managing Director

**S. Manohar Raju**  
Director



## INCON ENGINEERS LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

Particulars	31.03.2014 Rs.	31.03.2013 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items	354,110	(560,498)
Adjustments for:		
Depreciation	518,418	526,399
Interest on Term Loan	27,732	48,594
Interest Received	(5,000)	(40,691)
Warranty Period Maintenance	-	(33,254)
Operating profit before Working Capital changes	<u>895,260</u>	<u>(59,450)</u>
Adjustments for :		
Increase/(Decrease) in Long Term Provisions	(22,018)	116,091
Increase/(Decrease) in Trade Payables	545,774	(54,860)
Increase/(Decrease) in Other Current Liabilities Payable	(195,573)	172,918
Increase/(Decrease) in Short Term Provisions	73,642	(41,130)
Increase/(Decrease) in Long Term Loans & Advances	-	(5,710)
(Increase)/Decrease in Short Term Loans & Advances	(150,816)	65,235
(Increase)/Decrease in Trade Receivables	-	791,352
(Increase)/Decrease in Inventories	(1,724,430)	466,983
(Increase)/Decrease in Other Current Assets	(1,420)	(4,154)
Cash generated from operations	<u>(579,581)</u>	<u>1,447,275</u>
Income tax	<u>(82,016)</u>	<u>(103,378)</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b><u>(661,597)</u></b>	<b><u>1,343,897</u></b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	<u>(35,795)</u>	<u>(7,100)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b><u>(35,795)</u></b>	<b><u>(7,100)</u></b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(27,732)	(48,594)
Interest Received	18,205	33,511
Repayment of Short Term borrowings	-	(650,000)
<b>NET CASH GENERATED IN FINANCING ACTIVITIES</b>	<b><u>(9,527)</u></b>	<b><u>(665,083)</u></b>
Net increase in cash and cash equivalents (A+B+C)	<u>(706,919)</u>	<u>671,714</u>
Cash and Cash equivalents as at the beginning of the year	<u>1,553,774</u>	<u>882,060</u>
Cash and Cash equivalents as at the end of the year #	<u>846,855</u>	<u>1,553,774</u>
# including restricted amount of	-	271,000

Per our report of even date

For Brahmayya & Co.

Chartered Accountants

Firm's Registration No. : 000513S

For and on Behalf of the Board

Place: Hyderabad

Date : 27.05.2014

**P. Chandramouli**

Partner

Membership No. 025211

**Sreedhar Chowdhury**

Managing Director

**S. Manohar Raju**

Director



## INCON ENGINEERS LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014.

#### 1 NATURE OF OPERATIONS

Incon Engineers Limited (the Company) has been incorporated on 13.02.1970. At present the Company is engaged in the business of manufacturing of Chemical process equipment and agricultural equipment.

#### 2 BASIS OF ACCOUNTING

The financial statements have been prepared to comply in all material respects with the Notified accounting standards by Companies (Accounting Standards) Rules, 2006 (as amended) read with General Circular 15/2013 dated 13 September 2013 of Ministry of Corporate Affairs and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared in accordance with the generally accepted Accounting Principles in India under the historical cost convention and on accrual basis, except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies are consistent with those used in the previous year.

#### 3 SIGNIFICANT ACCOUNTING POLICIES

##### a) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the 'results of operations during' the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

##### b) Fixed Assets

Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation, amortisation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Borrowing costs relating to acquisition of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

##### c) Depreciation

i. Depreciation on Fixed Assets is provided on Written down Value/Straight Line method as per Schedule XIV of the Companies Act, 1956.

ii. Fixed Assets costing rupees Five thousand or less are fully depreciated in the year of acquisition.

##### d) Intangible Assets:

Computer Software : Costs incurred towards purchase of Computer software are amortised using straight line method based on Management's estimate of useful lives of such software, which ranges from 3 to 5 years.



## INCON ENGINEERS LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014.

**e) Prior period items**

All items of income/expenditure pertaining to prior period, which are material, are accounted through "prior period adjustments" and the others are shown under respective heads of account in the Profit and Loss Account.

**f) Inventories**

i. Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, raw materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on FIFO basis.

ii. Finished goods, Work in progress, Scrap, by-products, loose tools and other stock in trade are valued at lower of cost and net realizable value.

iii. Cost includes direct materials, labor and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a FIFO basis and Cost of finished goods includes excise duty wherever applicable. Cost of traded goods includes purchase and allied costs incurred to bring inventory to its present condition and location.

iv. Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling costs.

**g) Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Specifically the following basis is adopted:

I. Sale of Goods: Revenue is recognized when the significant risks and rewards of ownership of goods have passed to the buyer, which generally coincides with delivery. Sales are inclusive of excise duty and value added tax/sales tax and is net of sales returns and discounts.

II. Income from Services: Revenue is recognized as and the Services rendered as per the terms of individual Service Contract. Income from Services is accounted inclusive of service tax.

III. Interest: Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

**h) Retirement and Other Employee Benefits**

i. Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

ii. The Provident Fund is a defined contribution scheme and the contributions are charged to the profit and loss account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

iii. Short term compensated absences are provided on an estimated basis. Long term compensated absences are provided for based on actuarial valuation on project unit credit method carried by an actuary as at the end of the year.





### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014.

iv. Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

**i) Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of Fixed Assets, which take substantial period of time to get ready for their intended use, are capitalized. Other Borrowing costs are recognized as an expense in the year in which they are incurred.

**j) Segment Reporting Policies**

i. Identification of Segments:

The Company's operating businesses are organized and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets.

The analysis of geographical segment is based on the geographical location of the customers. The geographical segments considered for disclosure are as follows:

" Sales within India include sales to customers located within India.

" Sales outside India include sales to customers located outside India.

ii. Allocation of Common Costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

iii. Unallocated Items:

Includes general corporate income and expense items which are not allocated to any business segment:

**k) Leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the profit and loss account on a straight-line basis over the lease term and vice versa.

**l) Earnings per Share (Basic and Diluted)**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**m) Cash Flow Statement**

Cash flows are reported using indirect method. Cash and Cash equivalents in the Cash flow statement comprise cash at bank, cash/cheques in hand and Fixed Deposits with Banks



### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014.

**n) Taxes on Income**

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only, if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

**o) Impairment**

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

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset are no longer exist or have decreased.

**p) Provisions**

A provision is recognised when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**q) Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.



## INCON ENGINEERS LIMITED

### NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

Particulars	31.03.2014 Rs.	31.03.2013 Rs.
<b>04 SHARE CAPITAL</b>		
<b>AUTHORISED :</b>		
8,400,000 Equity Shares of Rs.10/- each	84,000,000	84,000,000
<b>TOTAL</b>	<b>84,000,000</b>	<b>84,000,000</b>
<b>ISSUED AND SUBSCRIBED:</b>		
7,100,400 Equity Shares of Rs. 10/- each	71,004,000	71,004,000
<b>TOTAL</b>	<b>71,004,000</b>	<b>71,004,000</b>
<b>PAID UP</b>		
4,327,100 Equity Shares of Rs 10/- each fully paid up	43,271,000	43,271,000
Add: Forfeited Shares(amount originally paid up)	13,866,500	13,866,500
<b>TOTAL</b>	<b>57,137,500</b>	<b>57,137,500</b>

a. Rights attached to equity Shares :

The company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b. Details of shareholders holding more than 5% shares in the company

	<b>31.03.2014</b>		<b>31.03.2013</b>	
	Nos	% in the class	Nos	% in the class
Equity Shares of Rs 10/- each fully paid				
Sri Sreedhar Chowdhury	2,057,079	47.54	2,057,079	47.54



## INCON ENGINEERS LIMITED

### NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

Particulars	31.03.2014 Rs.	31.03.2013 Rs.
<b>05 RESERVES AND SURPLUS:</b>		
Capital Reserves :	157,259	157,259
Revaluation Reserve :		
Opening and Closing Balance	1,414	1,414
Surplus i.e. balance in Statement of Profit and Loss		
Opening balance	(48,047,440)	(47,486,942)
Add: Net profit after tax transferred from Statement of Profit and Loss	354,110	(560,498)
Amount available for appropriation	(47,693,330)	(48,047,440)
Appropriations:	-	-
Closing Balance	(47,693,330)	(48,047,440)
TOTAL	<u>(47,534,657)</u>	<u>(47,888,767)</u>
<b>06 LONG TERM PROVISIONS</b>		
Provision for employee benefits :		
Provision for Leave Encashment	46,017	68,035
TOTAL	<u>46,017</u>	<u>68,035</u>
<b>07 TRADE PAYABLES</b>		
Creditors for Supplies and Services (refer Note 28)	721,580	188,333
Creditors for accrued wages and salaries	203,786	191,259
TOTAL	<u>925,366</u>	<u>379,592</u>
<b>08 OTHER CURRENT LIABILITIES</b>		
Advance from Customers	-	292,464
Others		
Security deposit from a related Party	180,000	150,000
Other Statutory dues	103,163	75,710
Other Payables	97,415	57,977
TOTAL	<u>380,578</u>	<u>576,151</u>
<b>09 SHORT TERM PROVISIONS</b>		
Provision for employee benefits :		
Provision for Gratuity	1,074,319	1,000,489
Provision for leave Encashment	428	616
TOTAL	<u>1,074,747</u>	<u>1,001,105</u>



## INCON ENGINEERS LIMITED

### NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

#### 10. FIXED ASSETS : TANGIBLE

(Amount in Rupees)

S.NO.	DESCRIPTION	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK			
		As at 31.3.2013	Additions	Deletions	As at 31.3.2014	Upto 31.3.2013	For the Year	On Deletions	Upto 31.3.2014	As at 31.03.2014	As at 31.03.2013
1	Land	3,778,773	-	-	3,778,773	-	-	-	-	3,778,773	3,778,773
2	Buildings - Factory	5,752,171	-	-	5,752,171	3,263,154	192,674	-	3,455,828	2,296,343	2,489,017
3	Plant and Machinery	5,054,055	18,795	-	5,072,850	3,154,007	279,069	-	3,433,076	1,639,774	1,900,048
4	Furniture and Fixtures	235,931	-	-	235,931	231,870	887	-	232,757	3,174	4,061
5	Office Equipment	597,107	-	-	597,107	469,323	26,946	-	496,269	100,838	127,784
6	Data Processing Equipment	415,853	-	-	415,853	374,476	13,607	-	388,083	27,770	41,377
	<b>Total Rs.</b>	<b>15,833,890</b>	<b>18,795</b>	<b>-</b>	<b>15,852,685</b>	<b>7,492,830</b>	<b>513,183</b>	<b>-</b>	<b>8,006,013</b>	<b>7,846,672</b>	<b>8,341,060</b>
	<b>PREVIOUS YEAR</b>	<b>Rs. 15,826,790</b>	<b>7,100</b>	<b>-</b>	<b>15,833,890</b>	<b>7,998,752</b>	<b>526,399</b>	<b>-</b>	<b>7,492,830</b>	<b>8,341,060</b>	<b>8,860,359</b>

#### 11. FIXED ASSETS : INTANGIBLE

S.NO.	DESCRIPTION	GROSS BLOCK			AMORTISATION			NET BLOCK			
		As at 31.3.2013	Additions	Deletions	As at 31.3.2014	Upto 31.3.2013	For the Year	On Deletions	Upto 31.3.2014	As at 31.03.2014	As at 31.03.2013
1	Computer Software	-	17,000	-	17,000	-	5,235	-	5,235	11,765	-
	<b>Total Rs.</b>	<b>-</b>	<b>17,000</b>	<b>-</b>	<b>17,000</b>	<b>-</b>	<b>5,235</b>	<b>-</b>	<b>5,235</b>	<b>11,765</b>	<b>-</b>
	<b>PREVIOUS YEAR</b>	<b>Rs. -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## INCON ENGINEERS LIMITED

### NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

Particulars	31.03.2014 Rs.	31.03.2013 Rs.
<b>12 LONG TERM LOANS AND ADVANCES</b>		
( Unsecured, Considered good)		
Security Deposits	98,579	98,579
TOTAL	<u>98,579</u>	<u>98,579</u>
<b>13 INVENTORIES</b>		
Raw Materials at Cost	575,062	594,576
Finished Goods at realisable Value	174,990	205,165
Work in Progress at Cost	1,882,191	108,072
TOTAL	<u>2,632,243</u>	<u>907,813</u>
<b>14 CASH AND CASH EQUIVQLENTS</b>		
Balances with Banks:		
on Current accounts	811,267	1,269,311
Cash on hand	35,588	13,463
Other Bank balances:		
Margin Deposits	-	271,000
TOTAL	<u>846,855</u>	<u>1,553,774</u>
<b>15 SHORT TERM LOANS AND ADVANCES</b>		
( Unsecured, Considered good)		
Advance for Expenses	65,000	12,500
Staff advances	51,600	47,300
Balance with Statutory authorities	137,914	43,898
TOTAL	<u>254,514</u>	<u>103,698</u>
<b>16 OTHER CURRENT ASSETS</b>		
Interest Accrued	3,750	16,955
Prepaid Expenses	32,711	31,291
Advance income Tax	302,462	220,446
TOTAL	<u>338,923</u>	<u>268,692</u>
<b>17 REVENUE FROM OPERATIONS</b>		
<b>Sale of Product : Finished Good</b>		
Fluid Energy Mills	4,371,420	3,177,708
FEM Spares	1,431,829	303,491
Power Tiller Spares	-	9,450
Services Rendered		
Man Power Supply	114,720	1,472,815
TOTAL	<u>5,917,969</u>	<u>4,963,464</u>
<b>18 OTHER INCOME</b>		
Interest on		
Bank Deposits	564	40,691
Others	5,000	4,921
Excess Provision for warranty written back	-	33,254
Other Non Operating Income ( net of expenses)		
Rent earned	709,500	645,000
Excess Provision Written back	51,476	45,202
TOTAL	<u>766,540</u>	<u>769,068</u>



## INCON ENGINEERS LIMITED

### NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

Particulars	31.03.2014	31.03.2013
	Rs.	Rs.
<b>19 COST OF RAW MATERIAL AND STORES CONSUMED</b>		
Inventory at the beginning of the year	594,576	1,018,060
Add : Purchases	2,673,906	977,366
Purchase of Components	292,244	105,653
	<u>3,560,726</u>	<u>2,101,079</u>
Less : Cost of Inventory Sold	11,421	413,483
: Inventory at the end of the year	575,062	594,576
TOTAL	<u>2,974,243</u>	<u>1,093,020</u>
<b>Details of raw material and components consumed :</b>		
MS Steel	1,695,758	593,650
Others	1,278,485	499,370
	<u>2,974,243</u>	<u>1,093,020</u>
<b>Details of Inventory :</b>		
Others	575,062	594,576
	<u>575,062</u>	<u>594,576</u>
<b>20 (INCREASE)/DECREASE IN INVENTORIES</b>		
<b>Inventories at the end of the year</b>		
Finished Goods	174,990	205,165
Work in Progress	1,882,191	108,072
	<u>2,057,181</u>	<u>313,237</u>
<b>Inventories at the beginning of the year</b>		
Finished Goods	205,165	248,664
Work in progress	108,072	108,072
	<u>313,237</u>	<u>356,736</u>
(Increase)/Decrease	<u>(1,743,944)</u>	<u>43,499</u>
<b>21 EMPLOYEE BENEFIT EXPENSE</b>		
Salaries, Wages and Bonus	2,255,946	2,194,426
Contribution to Provident and Other Funds	198,673	197,545
Staff Welfare Expenses	76,472	66,764
Gratuity Expenses	73,830	177,902
TOTAL	<u>2,604,921</u>	<u>2,636,637</u>
<b>22 FINANCE COSTS</b>		
Interest	27,732	48,594
Bank Charges	1,469	7,739
TOTAL	<u>29,201</u>	<u>56,333</u>



## INCON ENGINEERS LIMITED

### NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

Particulars	31.03.2014 Rs.	31.03.2013 Rs.
<b>23 DEPRECIATION EXPENSE</b>		
Depreciation on Tangible Assets	513,183	526,399
Depreciation on Intangible Assets	5,235	-
<b>TOTAL</b>	<b>518,418</b>	<b>526,399</b>
<b>24 OTHER EXPENSES</b>		
Job Work Charges	332,711	142,555
Power and Fuel	199,437	191,920
Rates and Taxes	328,801	445,010
Insurance	31,314	31,115
Advertisement	46,655	48,991
Communications	48,007	53,948
Travelling and Conveyance	90,839	60,769
Legal and Professional Charges	231,917	183,937
Payments to Auditors		
as auditors	33,708	33,708
for tax representation	-	11,236
for certification	10,113	10,113
Repairs and Maintenance to:		
Machinery	4,400	13,089
Buildings	130,527	250
Other Assets	16,826	28,898
Watch and Ward Expenses	186,624	186,624
Miscellaneous expenses	249,042	181,992
Loss on sale of Inventory	6,639	245,445
Expenses relating to earlier years	-	27,542
<b>TOTAL</b>	<b>1,947,560</b>	<b>1,937,142</b>
<b>25 EARNING PER SHARE</b>		
Net Profit for the Year attributable to Equity Shareholders	354,110	(560,498)
Weighted average number of equity Shares of Rs. 10/- each	4,327,100	4,327,100
Earning per Share (Basic and Diluted) (Rs.)	0.08	(0.13)





## INCON ENGINEERS LIMITED

### NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

- 26 In the opinion of the management, the current assets, loans and advances are expected to realise at least the amount at which they are stated, if realised in the ordinary course of business and provision for all known liabilities have been adequately made in the accounts.
- 27 Disclosure of dues Micro, Small and Medium Enterprises is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" and relied upon by the Auditors.
28. Disclosure of dues to Micro, Small and Medium Enterprises is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" and relied upon by the Auditors. The details of total outstanding dues to Micro and Small Enterprises as per Micro, Small and Medium Enterprises Development Act, 2006

Particulars	31.03.2014 Rs.	31.03.2013 Rs.
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil
The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	Nil	Nil



## INCON ENGINEERS LIMITED

### NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

29. Disclosure relating to the Gratuity liability as per Accounting Standard 15 "Employee Benefits"  
( amount in rupees)

a) The amounts recognised in the Balance Sheet	31.03.2014	31.03.2013
Present Value of obligation	1,074,319	1,000,489
Fair value of plan assets	Nil	Nil
Net liability recognised in the Balance sheet as Provision	1,074,319	1,000,489
b) Changes in the present value of the defined obligation		
Opening defined benefit obligation	1,000,489	910,222
Current service Cost	80,039	59,594
Interest Cost	44,973	72,818
Benefits paid	-	(87,635)
Actuarial (gain)/loss on obligation	(51,182)	45,490
Closing defined benefit obligation	1,074,319	1,000,489
c) Amounts recognised in the Statement of Profit and Loss		
Current service Cost	44,973	59,594
Interest Cost	80,039	72,818
Actuarial (gain)/loss on obligation	(51,182)	45,490
Net benefit Expenditure	73,830	177,902
d) Principal actuarial assumptions		
Rate of escalation in Compensation	4%	4%
Discount Rate	8%	8%
Attrition Rate	1%	1%
Retirement Age in years	58	58

The rate of escalation in compensation considered in the above valuation is estimated taking into account inflation, seniority, promotion and other relevant factors and the above information is certified by an actuary.

30. The company's main business is manufacturing of various equipment and machinery and all other activities of the company revolve around the main business and as such there are no separate reportable business segments as per the Accounting standard " Segment Reporting "( AS 17 )



## INCON ENGINEERS LIMITED

### NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

31 The details of the transactions with related parties to be disclosed as required by Accounting Standard - 18 are as follows.

a) Names of Related parties and description of relationship.

- i) Key Management Personnel : Sri Sreedhar Chowdhury.  
Managing Director.
- ii) Relatives of Key Management Personnel : Not Applicable
- iii) Associates : Oxeeco Meditek Private Limited  
: Oxeeco Technologies Private Limited,  
: The Oxeeco Limited.  
: Fusion Lastek Technologies Private Limited

b) Transactions with related Parties during the year	31.03.2014	31.03.2013
	(amount in Rupees)	
i) Key Management Personnel		
Sri Sreedhar Chowdhury.		
Advances Taken	580,000	145,000
Advances Repaid	580,000	145,000
Loan Repaid	-	650,000
ii) Associates		
Oxeeco Technologies Private Limited,		
Services Rendered	114,720	1,472,815
Rents Received	709,500	645,000
Security Deposit	30,000	150,000
Fusion Lastek Technologies Private Limited		
Loan Taken	550,000	535,000
Loan Repaid	550,000	535,000
Interest paid on loan	27,732	48,594
c) Year end Balances { due from/( due to ) }		
i) Sri Sreedhar Chowdhury.	-	-
ii) Oxeeco Technologies Private Limited,	(180,000)	(150,000)

32 Contingent Liabilities not provided for an account of	31.03.2014	31.03.2013
	(amount in Rupees)	
a) Claims against the company not acknowledged as debts	1,689,105	1,669,305
b) Demands from Sales Tax Department disputed by the company pending in appeals to extent not provided for	1,25,101	1,25,101

33 The Company does not have any current income tax as per the normal provisions of the income tax Act, 1961. In view of the ineligibility to assess future taxable income under normal provisions, the extent of net deferred tax asset which may be adjusted in the subsequent years is not ascertainable with virtual certainty at the stage and accordingly in terms of Accounting Standard (AS 22) on "Accounting for Taxes on Income", and based on general prudence, the Company has not recognised any Deferred tax Asset while preparing the accounts for the current year



## INCON ENGINEERS LIMITED

### NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

34 In terms of Accounting Standard (AS 28) on "Impairment of Assets", the management has carried out the assessment of impairment of assets and no impairment loss has been recognized during the year.

35 Analysis of materials consumed.	2013 - 14		2012 - 13	
	Percentage	Value in Rs.	Percentage	Value in Rs.
Imported	---	---	-	-
Indigenous	100.00	2,974,243	100.00	1,093,020
	100.00	2,974,243	100.00	1,093,020

36 Previous year figures are regrouped and reclassified where ever necessary to make them comparable with those of current year.

Per our report of even date

For Brahmayya & Co.

Chartered Accountants

Firm's Registration Number : 000513S

For and on Behalf of the Board

Place: Hyderabad

Date : 27.05.2014

**P. Chandramouli**

Partner

Membership No. 025211

**Sreedhar Chowdhury**

Managing Director

**S. Manohar Raju**

Director



# INCON ENGINEERS LIMITED

## PROXY FORM

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

### INCON ENGINEERS LIMITED

CIN: L74210TG1970PLC001319  
Regd. Office: B-6/3, I.D.A., Uppal, Hyderabad -500039  
Tel.: +91-40-27203943 Fax: +91-40-27201271

#### 44<sup>th</sup> Annual General Meeting - 30<sup>th</sup> September, 2014

Name of the Member(s)	<input type="text"/>
Registered Address	<input type="text"/>
	<input type="text"/>
	<input type="text"/>
Email ID	<input type="text"/>
Folio No. / Client ID	<input type="text"/>
DP ID	<input type="text"/>

I/we, being the Member(s) of .....shares of the above named Company, hereby appoint

Name : \_\_\_\_\_ Email ID : \_\_\_\_\_

Address \_\_\_\_\_

Signature : \_\_\_\_\_

*or failing him/her*

Name : \_\_\_\_\_ Email ID : \_\_\_\_\_

Address \_\_\_\_\_

Signature : \_\_\_\_\_

*or failing him/her*

Name : \_\_\_\_\_ Email ID : \_\_\_\_\_

Address \_\_\_\_\_

Signature : \_\_\_\_\_

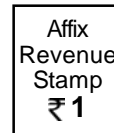


## INCON ENGINEERS LIMITED

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 44<sup>th</sup> Annual General Meeting of the Company be held on Tuesday, the 30th day of September, 2014 at 10.00 a.m. at the Registered Office at B-6/3, I.D.A. Uppal Hyderabad-500039 and at any adjournment thereof in respect of such resolution as are indicated below:

Resolution Number	Resolution
<b>Ordinary Business</b>	
1	Adoption of Audited Statement of Profit & Loss for the financial year ended 31st March, 2014 and the Audited Balance Sheet as at that date together with the reports of the Board of Directors and Auditors thereon.
2	Dr. B. Neeta Kumari retires by rotation at the ensuing AGM and is not seeking re-appointment
3	Appointment of Auditors and Fixation of their Remuneration.
<b>Special Business</b>	
4	Appointment of Mr. S. Manohar Raju as an Independent Director of the Company, for a term of five consecutive years from the date of this appointment.
5	Appointment of Mr. A. Subba Rao as an Independent Director of the Company, for a term of five consecutive years from the date of this appointment.

Signed this .....day of .....2014



Signature of Shareholder

Signature of the Proxy holder(s)

**NOTE :**

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.



## INCON ENGINEERS LIMITED

### ATTENDANCE SLIP INCON ENGINEERS LIMITED

CIN: L74210TG1970PLC001319  
Regd. Office: B-6/3, I.D.A., Uppal, Hyderabad -500039  
Tel.: +91-40-27203943 Fax: +91-40-27201271

#### 44th Annual General Meeting - 30th September, 2014

Registered Folio No. / Client ID No.	<input type="text"/>
DP ID No.	<input type="text"/>
No. of shares held	<input type="text"/>

I certify that I am a registered Shareholder / Proxy for the registered Shareholder of the Company.

I hereby record my presence at the 44<sup>th</sup> Annual General Meeting of the Company on Tuesday, 30th September, 2014 at 10.00 am at B-6/3, IDA Uppal, Hyderabad-500039.

\_\_\_\_\_  
Member's / Proxy's Name in Block Letters

\_\_\_\_\_  
Member's / Proxy's Signature

NOTE: Please fill in this attendance slip and hand it over at the ENTRANCE OF THE HALL.  
Please read errata for typesetting matter.