

**47<sup>th</sup> Annual Report  
2016 - 2017**



**INCON ENGINEERS LIMITED**





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**CORPORATE INFORMATION**

**Board of Directors**

<b>SRI SREEDHAR CHOWDHURY</b>	Managing Director (DIN: 00188924)
<b>SRI S.MANO HAR RAJU</b>	Non Executive Independent Director(DIN:00188956)
<b>SRI A.SUBBA RAO</b>	Non Executive Independent Director (DIN: 00313644)
<b>Dr. B. NEETA KUMARI</b>	Non Executive Director (DIN:00313522)

**AUDITORS**

M/s Brahmayya & Co  
Flat No.403 & 404  
Golden Green Apartment  
Irrum Manzil Colony, Hyderabad – 500 082

**BANKERS**

M/s. State Bank of India  
Commercial Branch  
Flat No.101 to 106 A, Ashoka My Home Chambers, Block 'B',  
S.P. Road, Secunderabad

**REGISTRAR & TRANSFER AGENTS**

M/s. Venture Capital and Corporate Investments Pvt. Ltd.  
12-10-167, Bharat Nagar,  
Hyderabad-500 018.

**REGISTERED OFFICE & FACTORY**

B-6/3, I.D.A., Uppal, Hyderabad —500 039

**CIN** **L74210TG1970PLC001319**

**WEBSITE** [www.incon.in](http://www.incon.in)

**EMAIL ID** [incon@incon.in](mailto:incon@incon.in), [inconengineers@gmail.com](mailto:inconengineers@gmail.com)



## **INCON ENGINEERS LIMITED**

### **NOTICE OF 47TH ANNUAL GENERAL MEETING**

NOTICE is hereby given that the **47th Annual General Meeting** of the members of **INCON ENGINEERS LIMITED** will be held on Friday the 29<sup>th</sup> September, 2017 at 10.00 AM at B-6/3, IDA, Uppal, Hyderabad - 500039 to transact the following business:

#### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the financial statements of the Company for the year ended 31 March 2017, including the Audited Balance Sheet as at 31 March 2017 and the Statement of Profit and Loss of the Company for the year ended on that date, along with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Dr. B. Neeta Kumari (DIN 00313522) who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint the Statutory Auditor of the Company and fix their remuneration.

To consider and, if thought fit to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED that pursuant to the provision of Section 139 and other applicable provisions if any, of the Companies Act, 2013, and the Companies Audit and Auditors Rules, 2014 as amended from time to time, M/s.K.S.Rao Co., Chartered Accountants, Reg No.003109S be and is hereby appointed as a Statutory Auditors of the company in place of retiring auditors Brahmayya & Co, Chartered Accountants Reg No.000513S to hold office from the conclusion of this Annual General Meeting till the conclusion of 52nd Annual General Meeting to be held in 2022 (Subject to ratification of their appointment at every Annual General Meeting if so required under the act) at such remuneration including applicable taxes and out of pocket expenses as may be mutually agreed between the Board and Auditors".

By order of the Board  
For Incon Engineers Limited

Sd/-  
Sreedhar Chowdhury  
Managing Director  
(DIN:00188924)

Place : Hyderabad  
Date : 29.05.2017



### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

Pursuant to provisions of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014 a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights.

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising such representative to attend and vote on their behalf at the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from **23.09.2017 to 29.09.2017** (both days inclusive) for the purpose of annual closure.
4. Members / Proxies are requested to bring their copies of Annual Report with them for the Annual General Meeting and the attendance slip duly filled in for attending the Meeting. No copies of the Annual Report will be distributed at the meeting.
5. Members holding shares in dematerialized form are requested to intimate all changes pertaining to nominations, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Venture Capital and Corporate Investments Private Limited to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Venture Capital and Corporate Investments Private Limited
6. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Venture Capital and Corporate Investments Private Limited, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
7. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
8. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
9. Regulation 36 of SEBI (LODR) Regulations, 2015 permits sending of soft copies of annual reports to all those members who have registered their email addresses for the purpose.

The Companies Act, 2013 has also recognized serving of documents to any member through electronic mode. As per National Securities Depository Limited, email addresses made available by the Depository for your respective DPs accounts as part of the beneficiary position downloaded from the Depositories from time to time will be deemed to be your registered email address for serving notices/documents including those covered under Section 101 and 136 of the Companies Act, 2013 read with Section 20 of the Companies Act, 2013 and the applicable rules. In light of the requirements prescribed by the aforesaid circulars, for those members whose Depository Participant accounts do not contain the details of their email addresses, printed copies of the Annual Report would be dispatched.



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10. Shareholders are requested to furnish their e-mail IDs to enable the Company to forward all the requisite information in electronic mode and support the green initiative. In case of the Shareholders holding shares in demat form the email IDs of the shareholders registered with DP and made available to the Company shall be the registered email IDs unless communication is received to the contrary.
  11. The Securities and Exchange Board of India has notified that the shareholder/transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their PAN card to the Company's RTA while transacting in the securities market including transfer, transmission or any other Corporate Action. Accordingly, all the shareholders/transferee of shares (including joint holders) are requested to furnish a certified copy of their PAN card to the Company's RTA while transacting in the securities market including transfer, transmission or any other corporate action.
  12. Pursuant to Section 108 of the Companies Act, 2013 read with relevant Rules under the Act, the Company is pleased to provide the facility to the Members to exercise their right to vote through electronic voting. The members who have not cast their vote by remote e-voting shall be able to vote at the Annual General Meeting.
  13. The members whose names appear on the Register of Members/ list of beneficial owners as on 22nd September, 2017 are eligible to participate in e-voting on the resolutions set forth in this notice.
  14. The Companies (Management and Administration) Rules, 2015 provide that the electronic voting period shall close at 5:00 PM, on the date preceding the AGM. Accordingly, the e-voting will be available at [www.evotingindia.com](http://www.evotingindia.com). **The remote e-voting period will commence at 9:00 A.M. (IST) on 26th September, 2017 and will end at 5:00 P.M. (IST) on 28th September, 2017.** The remote e-voting will not be allowed beyond the aforesaid period and time, and the remote e-voting module shall be disabled.
  15. The member(s) who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.
  16. In order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set forth in their Notice, the Company is enclosing a Ballot form with the Notice. Resolution (s) passed by the members through ballot forms, remote e-voting and voting at the AGM are deemed to have passed as if they have been passed at the AGM.
  17. The Company has appointed Mr. Sharad Gupta & Co, Company Secretary in Practice, Hyderabad to act as Scrutinizer to scrutinize the poll at the Annual General Meeting, remote e-voting process and through ballot form in a fair and transparent manner.
  18. The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members who have not registered their e-mail ids with the Company/their respective Depository Participant along with physical copy of the Notice. **Please Note that user Id and Password for E-Voting are fixed on the third page of the Annual Report.**
- Those members who have registered their e-mail IDs with the Company/their respective Depository Participant are being forwarded the login ID and password for e-voting along with process, manner and instruction by e-mail.
19. Members are requested to send all communication relating to shares to the Company's Share Transfer Agents (Physical and Electronic) at M/s. Venture Capital and Corporate Investments Private Limited, Hyderabad. Further, kindly note that members holding shares in physical form and intending to transfer their shares have to furnish the PAN particulars of transferee along with the share transfer deeds for affecting the physical share transfer.
  20. Any person who acquires shares of the Company and becomes a member of the Company



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after dispatch of the Notice of AGM and holds shares as on the cut-off date of **22nd September, 2017**, may obtain User ID and Password by sending a request at **helpdesk.evoting@nsdlindia.com**. However, if you are already registered with NSDL for e-voting, then you can use your existing User ID and Password for casting your vote.

21. Please note that, any queries pertaining to accounting related aspects may be posted / handed over to the Secretarial Department at the Registered Office of the Company at least 48 hours before the Annual General Meeting, so that the same could be clarified to the shareholders at the Annual General Meeting.
22. In compliance with Regulation 44, SEBI Listing Obligation and Disclosure Requirements, 2015 and Sections 108 and other applicable Provisions of the Companies Act, 2013, read if the related rules the Company pleased to provide e-voting facility to all its Members, to enable them to cast their votes electronically. The Company has engaged the services of NSDL for the purpose of providing e-voting facility to all its members. The instructions for e-voting are as follows.

### INSTRUCTIONS FOR EVOTING

- (i) The voting period begins on **26th September, 2017** at 9-00 a.m. and ends on **28th September, 2017** at 5-00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date 22nd September, 2017** may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
- (ii) Shareholders can also cast their vote using NSDL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - b. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
<b>PAN</b>	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>★ Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li><li>★ In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"><li>★ If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li></ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field.





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Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through NSDL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the **EVEN 107459** for the relevant Incon Engineers Limited on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Note for Non - Individual Shareholders and Custodians**
  - \* Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as Corporates.
  - \* A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@nsdlindia.com**.
  - \* After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - \* The list of accounts linked in the login should be mailed to **helpdesk.evoting@nsdlindia.com** and on approval of the accounts they would be able to cast their vote.
  - \* A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at **www.evotingindia.com**, under help section or write an email to **helpdesk.evoting@nsdlindia.com**.

Please follow the instructions as prompted by the mobile app while voting on your mobile.

By Order of the Board  
For Incon Engineers Limited

Sd/-  
Sreedhar Chowdhury  
Managing Director  
(DIN:00188924)

Place : Hyderabad  
Date : 29.05.2017



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

<b>Name of the Director</b>	<b>Dr.B.NeetaKumari</b>
<b>Date of Birth</b>	<b>10.06.1959</b>
<b>Date of Appointment</b>	<b>30.03.2015</b>
<b>Qualifications</b>	<b>Ph.D</b>
<b>Expertise in Specific Functional Areas</b>	<b>Worked in Senior Technical Positions in various Companies for over 25 years</b>
<b>List of Companies in which outside Directorships held as on 31.03.2017</b>	<b>NIL</b>
<b>Chairman/Member of the *Committees of other Companies on which she is a Member as on 31.03.2017</b>	<b>NIL</b>
<b>Number of equity shares held in the Company</b>	<b>NIL</b>



## INCON ENGINEERS LIMITED

### DIRECTORS REPORT

#### To the Members,

The Directors have pleasure in presenting before you the Forty Seventh Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2017.

#### 1. FINANCIAL RESULTS:

The performance during the period ended 31st March, 2017 has been as under:

(Rupees in lakhs)

Particulars	Year ended 2016 -17	Year ended 2015 -16
Sales/ Income from operations	17.82	51.25
Other Income	9.98	9.03
Manufacturing Expenses	31.39	45.40
Other Expenses	20.58	26.21
Interest	0.02	0.04
Gross Profit (+)/(Loss)(-) after Interest before Depreciation and Tax	(24.19)	(11.37)
Depreciation	2.94	4.65
Net Profit (+)/(Loss) before Tax for the year	(27.13)	(16.02)
Net Profit(+ )/(Loss) for the year	(27.13)	(16.02)

#### 2. PERFORMANCE:

##### Operations:

The operations of the company showed a decline in sales for the year ended 31-03-2017. The Sales reduced from Rs. 51.25 lakhs to 17.82 lakhs of the previous year. The Company made a net loss of Rs. 24.19 lakhs before providing for depreciation of Rs. 2.94 lakhs.

#### 3. DEPOSITS:

The Company has not accepted any deposits from public in terms of Section 73 of the Companies Act, 2013 and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

#### 4. PARTICULARS IN RESPECT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :

The information on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo required to be disclosed under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 are provided in the **Annexure-I forming part of this Report.**

#### 5. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134 of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms:

- That the preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March, 2017 and of the profit and loss of the company for that period;
- That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- That the directors have prepared the annual accounts for the financial year 31st March, 2017 on a going concern basis; and
- That the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;



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- (f) That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

### **6. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURT:**

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

### **7. RELATED PARTY TRANSACTIONS:**

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions are placed before the Audit Committee as also the Board for approval, where ever required. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseeable and

repetitive nature. A statement giving details of all related party transactions entered into pursuant to the omnibus approval so granted are placed before the Audit Committee and the Board of Directors on a quarterly basis. The Company has developed a Policy on Related Party Transactions for the purpose of identification and monitoring of such transactions.

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 is prepared in Form AOC-2 pursuant to clause (h) of the Companies (Accounts) Rules, 2014 and the same is annexed herewith as **Annexure-II to this Report.**

### **8. EXTRACT OF ANNUAL RETURN:**

The Extracts of Annual Return as per the provisions of Section 92 of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 in Form MGT-9 are enclosed as **Annexure-III to this Report.**

### **9. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:**

The independent directors have submitted the declaration of independence, as required pursuant to sub-section (7) of section 149 of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section(6) of Section 149.

### **10. NOMINATION AND REMUNERATION POLICY**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy which laysdown a framework in relation to selection, appointment and remuneration to Directors, Key Managerial Personnel and Senior Management of the Company. The details of Nomination and Remuneration Committee and Policy are stated in the Corporate Governance Report.

### **11. SUBSIDIARIES:**

Your Company does not have Subsidiaries.



### 12. INTERNAL AUDITORS:

M/s G P Associates., Chartered Accountants, Hyderabad are the Internal Auditors of the Company.

### 13. SECRETARIAL AUDIT REPORT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013, and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Sharad Gupta & Co Practicing Company Secretaries to conduct Secretarial audit of the company for the financial year ended March 31, 2017.

The Secretarial Audit Report issued by M/s. Sharad Gupta & Co, Practicing Company Secretaries in Form MR-3 is enclosed as **Annexure-IV** to this Annual Report.

The Secretarial Audit Report says that company has not complied with the compliance requirements of Calcutta Stock Exchange.

We hereby state that company applied for delisting of shares from the Calcutta Stock Exchange on 22-11-2005. The Company follow up the same Despite several reminders the Calcutta Stock Exchange has not responded. We understand Calcutta Stock Exchange is a defunct organization and there is no communication from them. Company is examining various options to close the matter so that the de-listing application is processed and completed.

### 14. STATUTORY AUDITORS:

M/s .Brahmayya & Co.,Chartered Accountants have been auditors of the company since 2007-2008 and have completed a term of 10 years.

Their term as auditors is upto the conclusion of the forth coming AGM.

In accordance with the provisions of Section 139 of the Companies act 2013 M/s.K.S.Rao and Co. Chartered Accountants, Reg no. 330109S are proposed to be appointed as auditors for a period of 5 years commencing form the conclusion of this Annual General Meeting till the conclusion of 52<sup>nd</sup> Annual General Meeting of the Company to held in 2022

subject to ratification of their appointment at every Annual General Meeting, if so required under the act.

M/s.K.S Rao have consented to their appointment as statutory auditors and have confirmed that their appointment if made will be in accordance with section 139 read with 141 of the act.

Member are requested to approve the appointment of K.S.Rao & Co Chartered Accountants and authorize the Board to fix their remuneration

### 15. AUDITORS' REPORT:

There are no qualifications, reservations or adverse remarks made by M/s Brahmayya& Co., Chartered Accountants, and Statutory Auditors in their report for the Financial Year ended 31st March, 2017.

### 16. CORPORATE SOCIAL RESPONSIBILITY (CSR) :

Corporate Social Responsibility required to be disclosed under Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 is not applicable to the company. Hence, composition of committee is not required.

### 17. PARTICULARS OF LOANS, GUARANTEES OR SECURITIES OR INVESTMENTS:

The details of Loans, Guarantees Securities and Investments made during the financial year ended 31st March, 2017 are given in the notes to the Financial Statements in compliance with the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

### 18. RATIO TO REMUNERATION TO EACH DIRECTORS AND PARTICULARS OF EMPLOYEES:

Under section 197(12) of the Companies Act, 2013, and Rule 5(1)(2) & (3) of the Companies (Appointment & Remuneration) Rules, 2014, ratio of remuneration to median employees for Mr.Sreedhar Chowdhury is Nil



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The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### 19. SHARE CAPITAL:

The Authorised share capital of the Company is Rs 84,000,000 (Rupees Eight Crores Forty Lakhs only) divided into 8,400,000 equity shares of Rs 10/- each. The paid up capital of the Company is Rs 43,271,000 (Four Crores Thirty Two Lakhs Seventy One Thousand only) divided into 4,327,100 equity shares of Rs 10/- each.

### 20. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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.

Management Discussion and Analysis Report is presented in a separate section forms part of the **Annual Report as Annexure-V**.

### 21. BOARD EVALUATION:

Evaluation of all Board members is done on an annual basis. The evaluation is done by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

The criteria covered various aspects for evaluation of Independent Directors such as Participation at the Board / Committee meetings, Commitment (including guidance provided to senior management outside of Board/ Committee meetings), Effective deployment of knowledge and expertise, Integrity and maintaining of confidentiality, Independence of behavior and judgment, exercise of objective independent judgment in the best interest of the

Company, Ability to contribute to and monitor corporate governance practice and Adherence to the code of conduct for independent directors, for Evaluation of the Board, Implementation of robust policies and procedures and Size, structure and expertise of the Board were considered, for Evaluation of the Managing Director and Non-Executive Directors, Participation at the Board / Committee meetings, Effective deployment of knowledge and expertise, Discharge of its functions and duties as per its terms of reference, Process and procedures followed for discharging its functions, Effectiveness of suggestions and recommendations received were considered, for evaluation of Chairman of the Board aspects such as Managing relationship with the members of the Board and management, and effective decision making at the board were considered.

### 22. DIRECTORS AND KMP:

Sri Sreedhar Chowdhury,  
Managing Director of the Company

Sri S Manohar Raju,  
Non Executive Independent Director

Sri A Subba Rao,  
Non Executive Independent Director

Dr.B.NeetaKumari,  
Non Executive Director

Mr.D Ramchandra Reddy,  
Chief Financial Officer has resigned w.e.f 29-05-2017 and Mrs. D. Manoranjani has been appointed as CFO on 29-05-2017

### 23. MEETINGS:

During the financial year under review, 4 (Four) Board Meetings 27th May 2016, 3rd August, 2016, 10th November, 2016, 13th February, 2017 and 4 (Four) Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period of 120 days as prescribed under the Companies Act, 2013 and Regulation 17 of SEBI Listing Regulations, 2015.



### **24. CORPORATE GOVERNANCE:**

The Company has implemented the procedures and adopted practices in conformity with the Code of Corporate Governance as per the requirements of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. A separate report on corporate governance practices followed by the Company together with a Certificate from the Company's Auditors confirming compliances forms an integral part of this Report.

### **25. VIGIL MECHANISM:**

The Company has adopted a Whistle Blower Policy establishing vigil mechanism, to provide a formal mechanism to the Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and provides direct access to the Chairperson of the Audit Committee in exceptional cases. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.

### **26. CHANGE IN NATURE OF BUSINESS:**

There is no change in nature of business of the Company.

### **27. MATERIAL CHANGES AND COMMITMENTS:**

There are no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year 31st March, 2017 to which the financial statements relate and the date of signing of this report.

### **28. HUMAN RESOURCES:**

The industrial relations of the Company continued to be harmonious during the year under review.

### **29. POLICY ON SEXUAL HARRASSEMENT:**

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year ended 31st March, 2017, the Company has not received any Complaints pertaining to Sexual Harassment.

### **30. DEMATERIALISATION OF SHARES:**

88.33% of the company's Paid-up Equity Share Capital is in dematerialized form as on 31st March, 2017 and balance 11.67% is in physical form. The Company's Registrars are M/s Venture capital and Corporate Investments Pvt.Ltd., having their registered office at 12-10-167, Bharath Nagar, Hyderabad - 500 018.

### **31. TRANSFER TO RESERVES:**

Directors have decided not to transfer any amount to reserves for the year.

### **32. Non Executive Directors Compensation and Disclosers**

Non Executive Directors or receiving for meeting held.

### **33. CEO/CFO CERTIFICATION:**

In line with the requirements of Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Sri Sreedhar Chowdhury, Managing Director, Mr.D Ramachandra Reddy, Chief Financial Officer (CFO) have submitted a certificate to the Board, certifying inter-alia, that the Financial Statements and the Cash Flow Statement for the year ended March 31, 2017 were reviewed to the best of their knowledge and belief, that they do not contain any material untrue statement, do not omit any material facts, are not misleading statements, together present a true and fair view and are in compliance with the applicable laws and regulations. The certificate further confirms that the transactions entered into by the Company for establishing internal control, financial reporting, evaluation of the internal control systems and making of necessary disclosures to the Auditors and the Audit Committee have been complied with.



## INCON ENGINEERS LIMITED

### 34. ACKNOWLEDGEMENT:

The Board of Directors would like to thank Business Partners, Bankers, Investors and Auditors for their continued support and association. Your Directors wish to place on record their appreciation to employees at all levels for their hard work, dedication and commitment.

For and on behalf of the Board of Directors  
For Incon Engineers Limited

	Sd/-	Sd/-
	Sreedhar Chowdhury	D Rama Chandra Reddy
Place : Hyderabad	Managing Director	CFO
Date : 29.05.2017	(DIN : 00188924)	

### ANNEXURE - I

#### PARTICULARS IN RESPECT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

(Information Under Section 134(3)(m) of The Companies Act, 2013,  
Read with Rules 8(3) of the Companies (Accounts) Rules, 2014)

#### FORM A

- |                                  |   |     |
|----------------------------------|---|-----|
| <b>1. CONSERVATION OF ENERGY</b> | : |     |
| (i) Energy Conservation measures | : | -   |
| (ii) Total energy consumption    | : | Nil |

#### 2. TECHNOLOGY ABSORPTION:

#### FORM B

(Disclosure of particulars with respect to Technology Absorption)

#### A. Research and Development (R & D):

- |  |   |    |
|--|---|----|
| 1. Specific areas in which R & D is carried out    | : | NA |
| By the Company                                     |   |    |
| 2. Benefits derived as a result of the above R & D | : | NA |
| 3. Future plan of action                           | : | -  |
| 4. Expenditure on R & D                            | : | -  |

#### B. Technology absorption, adaptation and innovation :

The Company is making all its efforts for improving productivity, product quality and reducing consumption of scarce raw materials.

#### 3. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Activities relating to exports and initiatives taken to increase export products and services and export plans : NIL

Total Foreign Exchange used and earned:

Used	:	NIL
Earned	:	NIL

By Order of the Board  
For Incon Engineers Limited  
Sd/-

Place : Hyderabad	Sreedhar Chowdhury
Date : 29.05.2017	Managing Director
	(DIN:00188924)





## INCON ENGINEERS LIMITED

ANNEXURE-II

### FORM NO.AOC.2

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

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

1. Details of contracts or arrangements or transactions not at Arm's length basis: NIL
2. **Details of contracts or arrangements or transactions at Arm's length basis**

Name(s)of the related party	Oxeeco Technologies Pvt.Ltd	Transactions value (Rs.)	Mr.Sreedhar Chowdhury	Transactions value (Rs.)
<b>Nature of Relationship</b>	Associate		Key Managerial Personnel	
<b>Nature of Transactions</b>	Rent Received	838,530	Advance Taken from Mr. Sreedhar Chowdhury	1,605,000
	Manpower Services	440,800		
<b>Date (s) of approval by the Board, If any</b>	Since these RPTs are in the ordinary course of business and are at arm's length basis, approval of the Board is not applicable. However, these are reported to the Audit Committee/Board at their quarterly meetings.			

By Order of the Board  
For INCON ENGINEERS LIMITED

Place: Hyderabad  
Date: May 29, 2017

sd/-  
Sreedhar Chowdhury  
Managing Director



## INCON ENGINEERS LIMITED

ANNEXURE-III

### EXTRACT OF ANNUAL RETURN FORM MGT 9

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

**Financial Year ended on 31.03.2017**

<b>I. REGISTRATION &amp; OTHER DETAILS:</b>			
i	CIN	:	L74210TG1970PLC001319
ii	Registration Date	:	13.02.1970
iii	Name of the Company	:	INCON ENGINEERS LIMITED.
iv	Category/Sub-category of the Company Address of the Registered office & Contact	:	Public Limited
v	Details		B-6/3, IDA, Uppal, Hyderabad - 500039 Telephone No.+91-040-27203943 Fax No.+91-040-27201271 Email:incon@incon.in/inconengineers@gmail.com
vi	Whether listed company	:	Yes
vii	Name,Address& Contact details of the Registrar & Transfer Agent, if any.	:	Venture Capital and Corporate Investments Pvt Ltd 12-10-167, Bharat Nagar, Hyderabad - 18 Ph.+91-040-23818475, Fax No.+91-040-23868024

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

S No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Chemical Process Equipment (Fluid Energy Mills & Others)	Not Available	72%



## INCON ENGINEERS LIMITED

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: NIL SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2016				No. of Shares held at the end of the year 31.03.2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>									
(a) Promoters	2482534	38200	2520734	58.26	2482534	38200	2520734	58.26	-
(b) Individuals/Hindu Undivided Family	0	0	0	0	0	0	0	0	-
(c) Central Government/ State Government(s)	0	0	0	0	0	0	0	0	-
(d) Bodies Corporate	350000	0	350000	8.09	350000	0	350000	8.09	-
(e) Financial Institutions/Banks	0	0	0	0	0	0	0	0	-
(e-i) Any Others(Specify)	0	0	0	0	0	0	0	0	-
(e-ii) Mutual Funds									
(e-ii) Trusts									
<b>Sub Total (A)(1)</b>	<b>2832534</b>	<b>38200</b>	<b>2870734</b>	<b>66.35</b>	<b>2832534</b>	<b>38200</b>	<b>2870734</b>	<b>66.35</b>	<b>-</b>
<b>2</b>									
(a) Foreign									
(a) Individuals (Non Resident	0	0	0	0	0	0	0	0	-
(a) Individuals/Foreign Individuals)	0	0	0	0	0	0	0	0	-
(b) Bodies Corporate	0	0	0	0	0	0	0	0	-
(c) Institutions	0	0	0	0	0	0	0	0	-
(d) Qualified Foreign Investor	0	0	0	0	0	0	0	0	-
(e) Any Others(Specify)	0	0	0	0	0	0	0	0	-
(e-i) Overseas Corporate Bodies	0	0	0	0	0	0	0	0	-
(e-ii)									
<b>Sub Total (A)(2)</b>									
Total Shareholding of Promoter and Promoter									
<b>Group (A)=(A)(1)+(A)(2)</b>	<b>2832534</b>	<b>38200</b>	<b>2870734</b>	<b>66.35</b>	<b>2832534</b>	<b>38200</b>	<b>2870734</b>	<b>66.35</b>	<b>-</b>



## INCON ENGINEERS LIMITED

(B) PUBLIC SHARE HOLDING											
1	<b>INSTITUTIONS</b>										
(a)	Mutual Funds/UTI	0	600	0.01	0	600	0	600	0.01	600	0
(b)	Financial Institutions/Banks	0	0	0	0	0	0	0	0	0	0
(c)	Central Government/ State Government(s)	0	0	0	0	0	0	0	0	0	0
(d)	Venture Capital Funds	0	0	0	0	0	0	0	0	0	0
(e)	Insurance Companies	0	0	0	0	0	0	0	0	0	0
(f)	Foreign Institutional Investors	0	0	0	0	0	0	0	0	0	0
(g)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0	0
(h)	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0	0
(i)	Any Others(Specify)										
(i-1)	Foreign Companies										
	<b>Sub Total (B)(1)</b>	<b>0</b>	<b>600</b>	<b>0.01</b>	<b>0</b>	<b>600</b>	<b>0</b>	<b>600</b>	<b>0.01</b>	<b>600</b>	<b>0</b>
B2	<b>NON-INSTITUTIONS</b>										
(a)	Bodies Corporate	43407	100	1.01	37545	100	37645	0.87	37645	(0.14)	
(b)	Individuals										
	(I) Individual shareholders holding nominal share capital upto Rs.2lakh	574181	162400	17.02	648322	234200	882522	20.40	882522	3.38	
	(II) Individual shareholders holding nominal share capital in excess of Rs. 2L lakh	347551	95173	10.23	280760	22673	303433	7.01	303433	(3.22)	
(c)	Qualified Foreign Investor										
(d)	Any Others(Specify)										
(e)	Clearing Member	3563	0	0.08	2775	0	2775	0.06	2775	(0.02)	
	Corporate OCB	0	200000	4.62	0	200000	200000	4.62	200000	-	
	Non Resident Individuals	22391	7000	0.68	22391	7000	29391	0.68	29391	-	
	<b>Sub-Total B(2)</b>	<b>991093</b>	<b>464673</b>	<b>33.64</b>	<b>991793</b>	<b>463973</b>	<b>1455766</b>	<b>33.64</b>	<b>1455766</b>	<b>0</b>	
	<b>Total Public Shareholding (B)=B(1)+B(2)</b>	<b>991093</b>	<b>464673</b>	<b>33.64</b>	<b>991093</b>	<b>464673</b>	<b>1455766</b>	<b>33.64</b>	<b>1455766</b>	<b>0</b>	
	<b>Total (A+B)</b>	<b>3823627</b>	<b>503473</b>	<b>100</b>	<b>3823627</b>	<b>503473</b>	<b>1456366</b>	<b>100</b>	<b>1456366</b>	<b>0</b>	
	Shares held by Custodian and against which Depository Receipts have been issued to Promoter and Promoter Group Public										
	<b>Sub Total C</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
	<b>GRAND TOTAL (A+B+C)</b>	<b>3823627</b>	<b>503473</b>	<b>100</b>	<b>3824327</b>	<b>502773</b>	<b>4327100</b>	<b>100</b>	<b>4327100</b>	<b>0</b>	



## INCON ENGINEERS LIMITED

### (ii) SHARE HOLDING OF PROMOTERS

S.No	Share Holders Name	Shareholding at the beginning of the year				Shareholding at the end of the year			
		No.of Shares	%of the Shares of the company	%of Shares Pledged/ encumbered to total shares	% change in share-holding during the year	No.of Shares	%of the Shares of the company	%of Shares Pledged/ encumbered to total shares	% change in share-holding during the year
1	Sreedhar Chowdhury	2057079	47.54	0	0	2057079	47.54	0	0
2	Renuka Chowdhury	214594	4.96	0	0	214594	4.96	0	0
3	OxeecoMeditekPvt Ltd	200000	4.62	0	0	200000	4.62	0	0
4	Fusion Chemicals & Products Pvt Ltd	150000	3.47	0	0	150000	3.47	0	0
5	Poojita Chowdhury	101506	2.35	0	0	101506	2.35	0	0
6	Tejuswini Chowdhury	64000	1.48	0	0	64000	1.48	0	0
7	G Vijayeswari	38200	0.88	0	0	38200	0.88	0	0
8	Jayadev Chowdhury G	30804	0.71	0	0	30804	0.71	0	0
9	PrabhaSukmarkoneru	14551	0.34	0	0	14551	0.34	0	0
		<b>2870734</b>	<b>66.35</b>			<b>2870734</b>	<b>66.35</b>	<b>0</b>	<b>0</b>

### (iii) CHANGE IN PROMOTERS' SHARE HOLDING (please specify, if there is no change)

There is no change in the Shareholding of Promoter Group. [ Refer (ii) above]



## INCON ENGINEERS LIMITED

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	MAHENDRAGIRDHARILAL	84165	1.95	84165	1.95
2	MURTAZA JAFFERALI	38678	0.89	38678	0.89
3	DEEPAK HARI BHAI GAUDANI				
	RASILABENDEEPAKBHAI GAUDANI	33906	0.78	33906	0.78
4	JAYESH BABULAL SHAH	21304	0.49	24304	0.47
5	REETAMAHENDRA MEHTA	31000	0.72	31000	0.72
6	LAKSHMI S NARAYANA	22673	0.52	22673	0.52
7	HAFIZAA NATHANI				
	AKTHAR S NATHANI	20000	0.46	20000	0.46
8	G STALIN	20000	0.46	20000	0.46
9	G BHARADWAJ	20000	0.46	20000	0.46
10	G NARAYANA RAO	20000	0.46	20000	0.46
11	MAHENDRA KUMAR JAIN	17000	0.39	17000	0.39

**(V) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Sreedhar Chowdhury	2057079	47.54	2057079	47.54
2	S.Manohar Raju	52600	1.22	52600	1.22
3	A Subba Rao	10100	0.23	10100	0.23
4	D Ramachandra Reddy	200	0	200	0
	<b>TOTAL</b>	<b>2119979</b>	<b>48.99</b>	<b>2119979</b>	<b>48.99</b>



## INCON ENGINEERS LIMITED

### V INDEBTENDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment  
(Rs in Lakhs)

Particulars	Secured Loans excluding deposits	un secured Loans	Deposits	Total Indebtend ness
Indebtedness at the beginning of the financial year	-	-	-	-
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	-	-	-	-
Change in Indebtedness during the financial year				
<input type="checkbox"/> Addition				
<input type="checkbox"/> Reduction				
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	-	-	-	-

### VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WMD Sri Sreedhar Chowdhury	Total Amount in Rs.
1	Gross Salary		
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	-
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-
	c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission as % of profit	-	-
5	Others please specify ceiling as per the act	-	-
	<b>TOTAL</b>	-	-



## INCON ENGINEERS LIMITED

### B. REMUNERATION TO OTHER DIRECTORS

Sl. No.	Particulars of Remuneration	Name of the Directors			Total Amount in Rs.
		S.Manohar Raju	A.Subba Rao	Dr.B.Neeta Kumari	
1	Independent Directors				
	Fee for attending board / Committee meetings	17500	14000	10500	42000
	commission	---	---	---	---
	Others, please specify	---	---	---	---
	<b>Total (1)</b>	<b>17500</b>	<b>14000</b>	<b>10500</b>	<b>42000</b>
2	Other Non-Executive Directors	Nil	Nil	Nil	Nil
	Fee for attending board / Committee meetings	---	---	---	---
	commission, others	Nil	Nil	Nil	Nil
	<b>Total (2)</b>		<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Total (B)=(1+2)</b>	<b>17500</b>	<b>14000</b>	<b>10500</b>	<b>42000</b>
	<b>Total Managerial Remuneration</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Amount in Rs.
		CFO	CS	CEO	
1.	Gross Salary	366000	Nil	Nil	366000
	a) Salary as per provision contained in section 17(1) of the Income Tax Act, 1961				
	b) Value of perquisites u/s17(2) Income Tax Act, 1961	Nil	Nil	Nil	Nil
	c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission as % of profit	Nil	Nil	Nil	Nil
5	Others (Bonus)	7000	Nil	Nil	7000
	<b>TOTAL</b>	<b>373000</b>	<b>Nil</b>	<b>Nil</b>	<b>373000</b>





## INCON ENGINEERS LIMITED

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

TYPE	Section of the Companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority made if any give details	Appeal made if any (give details)
A. COMPANY			Nil		
Penalty Punishment Compounding			Nil		
B. DIRECTORS			Nil		
Penalty Punishment Compounding			Nil		
C. OTHER OFFICERS IN DEFALUT Penalty Punishment Compounding			Nil		



**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017** [Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014]

- 1) Ratio of the remuneration of each director to the median remuneration of the employees of the Company and the percentage increase in remuneration of Directors & KMPs in the Financial Year :

To,  
The Members,  
**Incon Engineers Limited**  
B-6/3, IDA Uppal,  
Hyderabad-500039.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by "Incon Engineers Limited" (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives, during the conduct of secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017, according to the provisions of:

- (i) the Companies Act, 2013 (the Act) and the rules made there under;
- (ii) the Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (iii) the Depositories Act, 1996 and the Regulations and Bye-Laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) the following Regulations and Guidelines prescribed under the securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and takeovers) Regulations, 2011, as amended from time to time.
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time.
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. However, the regulations are not applicable to the



Company during the audit period since the Company has not raised any money from the public and hence, these regulations have not been considered for the purpose of this report.

The Securities and Exchange Board of India (Share Based Employee Benefit Regulations 2014). However, the regulations are not applicable to the Company during the audit period since the Company does not have any scheme in operation and hence, these guidelines have not been considered for the purpose of this report.

- (d) The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations, 2008. However, the regulations are not applicable to the Company during the audit period since the Company has not raised any money through debt securities from the public and hence, these regulations have not been considered for the purpose of this report.
- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 as amended from time to time, regarding the Companies Act and dealing with client.
- (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. However, the regulations are not applicable to the Company during the audit period.
- (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. However, the regulations are not applicable to the Company during the audit period since the Company has not bought back any of its securities and hence, these regulations have not been considered for the purpose of this report.

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

- (h) Secretarial standards issued by the Institute of Company Secretaries of India.
  - (ii) the Listing Agreements entered into by the Company with the Bombay Stock Exchange and Calcutta Stock Exchange Limited.
  - (iii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules Regulations, Guidelines, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director in terms of Companies Act 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015.

1. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice has been given to all directors to schedule the Board Meetings during the financial year under review, agenda and detailed notes on agenda were sent properly before the scheduled meeting, and a system exists for seeking and obtaining further information



## **INCON ENGINEERS LIMITED**

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and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

3. All the decisions are carried unanimously. None of the members of the Board have expressed dissenting views on any of the agenda items during the financial year under review.
4. Company has applied to Calcutta Stock Exchange for delisting of its shares and the same is pending with Calcutta Stock Exchange for long time. We further report that the Company has not complied with the compliance requirements of Calcutta Stock Exchange during the period under review.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For the purpose of examining adequacy of compliances with other applicable laws including industry/sector specific, under both Central and state legislations, reliance has been placed on the information given by the Management. Based on the aforesaid, we are of the opinion that the Company has complied with the following:

- i) Deposit of Provident Fund, employee state Insurance, employee Deposit Linked Insurance and other employee related statutory dues.
- ii) Deposit of taxes relating to Income Tax, Value Added Tax, Central Sales Tax, Professional Tax and other applicable taxes including Tax deducted at source.

For SHARAD GUPTA & CO.

Place : Hyderabad  
Date : 29.05.2017

SHARAD GUPTA  
Company Secretary Proprietor  
Membership No.ACS5499 CP: 1464



### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

The Company has not been able to exploit the bulk industries market, which has good potential for the Company's product there is a need to make a special thrust in the Company's marketing efforts to penetrate this market.

The Company should also assess the potential for contract micronizing services. The Company can set up a suitable facility at low cost to take up contract grinding and generate continuous revenues.

**b) Internal Control Systems and their Adequacy**

The Company has adequate internal control systems and procedures in all operational areas and at all levels equipment's procurement, finance, administration, marketing and personnel departments. The Company also has Internal Audit systems commensurate with its size and nature of business. The internal audit function will be done by a firm of Chartered Accountants. The Audit committee reviews the internal audit reports and the adequacy of internal controls from time to time.

**c) Financial and Operational Performance:**

The Highlights of Financial Operational Performance are given below:

Particulars	(Rs. in Lakhs)	
	2016 - 17	2015-16
Total Income	2,780,320	6,028,481
Total Expenditure	5,494,137	7,631,049
Profit before Tax	-	-
Less: Provision for taxation	-	-
Net Loss after Tax	(2,713,817)	(1,602,568)

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

The Company believes that the quality of its employees is the key to its success in the long run and is committed to provide necessary human resource development.

Industrial relations during the year are cordial and the Company is committed to maintain the same in future.



## INCON ENGINEERS LIMITED

### REPORT ON CORPORATE GOVERNANCE

#### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Incon Engineers Limited to set the highest standards of Corporate Governance right from its inception benchmarked with the best class practices across the globe. Effective Corporate Governance is the manifestation of professional beliefs and values, which configures the organizational values, credo and actions of its employees. The aim of "Good Corporate Governance" is to ensure commitment of the board in managing the company in a transparent manner for maximizing long-term value of the company for its shareholders and all other partners. It integrates all the participants involved in a process, which is economic, and at the same time social. The Company's core philosophy on the code of Corporate Governance is to ensure:

- Fair and transparent business practices;
- Accountability for performance;
- Compliance of applicable statute;
- Transparent and timely disclosure of financial and management information;
- Effective management control and monitoring of executive performance by the Board; and
- Adequate representation of promoter, executive and independent directors on the Board.

Hence it harmonizes the need for a company to strike a balance at all times between the need to enhance shareholders' wealth whilst not in any way being detrimental to the interests of the other stakeholders in the company.

#### 2. BOARD OF DIRECTORS:

##### a) Composition and Category of Directors:

In terms of compliance with the regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "SEBI Listing Regulations, 2015", the Company endeavour to have an optimum combination of Executive and

Non-Executive Directors to maintain the independence of the Board and separate the functions of Governance and Management through Board and Committees. As at March 31, 2017, the Board of Directors ("Board") comprises of four Directors, of which three are Non-Executive Directors and One Executive Director. The Company has Two Independent Directors. The composition and category of the Board of Directors is as follows :

S No	Name of Director	Designation	
1	Sri Sreedhar Chowdhury	Managing Director	Promoter
2	Sri S Manohar Raju	Director	Non-Executive Independent
3	Sri A Subba Rao	Director	Non-Executive Independent
4	Dr. B. Neeta Kumari	Director	Non-Executive Category

##### b) Attendance of each director at the Board meetings and at the last Annual General Meeting:

The particulars of attendance of Board Meetings and Annual General Meeting by Directors for the financial year ended 31.03.2017 has been set out here below:

S No	Name of Director	No. of Board Meetings		Attendance at last AGM on 30.09.2016
		Held	Attended	
1	Sri Sreedhar Chowdhury	4	4	Present
2	Sri A Subba Rao	4	3	Present
3	Sri S Manohar Raju	4	4	Present
4	Dr. B. Neeta Kumari	4	3	Present

##### c) Number of Other Directorships, Committee Membership(s) & Chairmanship(s):

S No	Name of Director	Other Directorships	Committee Membership	Committee Chairmanship
1	Sri Sreedhar Chowdhury	8	-	-
2	Sri A Subba Rao	-	-	-
3	Sri S Manohar Raju	2	-	-
4	Dr. B. Neeta Kumari	-	-	-



## INCON ENGINEERS LIMITED

- The number of total directorships is in accordance with Section 165 of the Companies Act, 2013.
- d) The Number of Directorships, Committee memberships and Chairmanships of all listed and unlisted companies are within the limits as per Regulation 26 of SEBI (LODR) Regulations,

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 Sri Sreedhar Chowdhury, Managing Director) for every Board Meeting attended by them. No Director is paid any commission on the net profit of the Company

**e) Number of Board Meetings held and the date on which held:**

In terms of compliance with the requirement of Regulation 17(2) of SEBI (LODR) Regulations, 2015, Four Board Meetings were held during the financial year ended 31.03.2017.

The dates on which the Board meetings were held are:

27.05.2016	03.08.2016	10.11.2016	13.02.2017
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**e) Disclosure of relationship between directors inter-se**

None of the Directors are related to any other Director.

**f) Shares held by Non-Executive Directors**

The number of equity shares of the Company held by the non-executive directors, as on 31.03.2017 are as follows:

S No	Name of Director	No of Equity Shares
1	Sri A Subba Rao	10100
2	Sri S Manohar Raju	52600
3	Dr. B. NeetaKumari	-

**g) Details of familiarization programs imparted to independent directors is given below**

Your Company follows a structured orientation and familiarization programme through various reports/codes/internal policies for all the Directors with a view to update them on the Company's policies and procedures on a regular basis. Periodic presentations are made at the Board Meetings on business and performance, long term strategy, initiatives and risks involved.

**BOARD COMMITTEES :**

Details of the Board Committees and other related information are provided hereunder:

**1. AUDIT COMMITTEE :**

(a) Brief description of terms of reference:

The role and terms of reference of the Audit Committee are set out in Regulation 18(3) read with Part C of Schedule II of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013, besides other terms as may be referred to by the Board of Directors of the Company. The terms of reference of the Audit Committee broadly are:

1. Review of financial reporting systems;
2. Ensuring compliance with regulatory guidelines;
3. Reviewing the quarterly, half yearly and annual financial results;
4. Approval of annual internal audit plan;
5. Review and approval of related party transactions;
6. Discussing the annual financial statements and auditor's report before submission to the Board with particular reference to the (i) Director's Responsibility Statement; (ii) major accounting entries; (iii) significant adjustments in financial statements arising out of audit findings; (iv) compliance with listing requirements etc.;
7. Interaction with statutory, internal and cost auditors;



## INCON ENGINEERS LIMITED

8. Recommendation for appointment and remuneration of auditors; and
9. Reviewing and monitoring the auditor's independence and performance etc.

Further the Audit Committee also mandatorily reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the audit committee; and
6. Statement of deviations:

(a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations;

(b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7) of SEBI Listing Regulations.

### **(b) Composition, Name of members and Chairman:**

As on March 31, 2017, the Audit Committee of the Board comprises of two (2) Independent Directors and one (1) Non-executive Director. The Chairperson of the Audit Committee is Independent Director. The composition of the Committee is in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations:

SNo	Name of the Director	Designation
1	Sri S Manohar Raju	Chairman
2	Sri A Subba Rao	Member
3	Dr.B.NeetaKumari	Member

CFO, Statutory Auditors and Internal Auditors attend the Audit Committee meetings on invitation and the Company Secretary acts as the Secretary of the Committee.

The minutes of the meetings of the Audit Committee are placed before the Board and discussed in the meeting.

(c) Meetings and attendance during the year:

Four Audit Committee Meetings were held during the financial year ended March 31, 2017. The maximum time gap between any of the two meetings was not more than one Hundred and Twenty days.

The Audit Committee meetings were held on

27.05.2016	03.08.2016	10.11.2016	13.02.2017
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Attendance of the Audit Committee Meeting:

S No	Name of Director	Number of Meetings	
		Held	Attended
1	Sri S Manohar Raju	4	4
2	Sri A Subba Rao	4	3
3	Dr. B. NeetaKumari	4	3

The Statutory Auditors and Internal Auditors of the Company have also attended the above meetings on invitation. The recommendations made by the Audit Committee from time to time have been followed by the Company. The Chairman of the Audit Committee has attended the Annual General Meeting to answer the queries raised by the Shareholders regarding Audit and Accounts.





## INCON ENGINEERS LIMITED

### 2. NOMINATION & REMUNERATION COMMITTEE:

#### a. Brief description of terms of reference

Formulation of the criteria for determining qualifications, positive attributes and independence of a director;

Recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

Carry on the evaluation of every director's performance;

Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;

Formulation of criteria for evaluation of Independent Directors and the Board; Devising a policy on Board diversity; and

Any other matter as the Board may decide from time to time.

#### b. Composition, Name of members and Chairman:

The Nomination and Remuneration Committee was constituted by the Board with 2 Independent Directors. The following is the composition of the Board.

SNo	Name of the Director	Designation
1	Sri A Subba Rao	Chairman
2	Sri S Manohar Raju	Member
3	Dr.B.NeetaKumari	Member

The Company Secretary acts as the Secretary of the Committee.

The minutes of the meetings of the Nomination and Remuneration Committee are circulated to all the members of the Board.

#### c. Nomination and Remuneration Committee meetings

During the period from April 1, 2016 to March 31, 2017, Nomination and Remuneration Committee Meetings were held on 25.03.2017.

S No	Name of Director	Number of Meetings	
		Held	Attended
2	Sri A Subba Rao	1	1
1	Sri S Manohar Raju	1	1
3	Dr. B. NeetaKumari	1	1

#### d. Nomination and Remuneration policy

The nomination and remuneration committee has adopted a Nomination and Remuneration Policy which, inter-alia, deals with the manner of selection of Board of Directors, KMP & other senior management and their remuneration. Executive Directors and KMP are eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The Executive Director and KMP remuneration is determined based on levels of responsibility and scales prevailing in the industry. The executive directors are not paid sitting fee for any Board/Committee meetings attended by them.

The Non-executive directors are paid sitting fees for attending meetings of Board/Committee.

#### e. Performance Evaluation of Directors.

Pursuant to applicable provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board, in consultation with its Nomination & Remuneration Committee has formulated a framework containing, inter-alia, the criteria for performance evaluation of the Independent Directors, Board of Directors, Committees of Board, Individual Directors including Managing Director and Non- Executive Directors and Chairperson of the Board.

**Criteria for Performance Evaluation of Independent Directors, Board of Directors, Committees of Board,** Individual Directors, Managing Director, Non- Executive Directors and Chairperson of the Board

The criteria covered various aspects for evaluation of Independent Directors such as



## INCON ENGINEERS LIMITED

Participation at the Board / Committee meetings, Commitment (including guidance provided to senior management outside of Board/ Committee meetings), Effective deployment of knowledge and expertise, Integrity and maintaining of confidentiality, Independence of behaviour and judgment, exercise of objective independent judgment in the best interest of the Company, Ability to contribute to and monitor corporate governance practice and Adherence to the code of conduct for independent directors, for Evaluation of the Board, Implementation of robust policies and procedures and Size, structure and expertise of the Board were considered, for Evaluation of the Managing Director and Non-Executive Directors, Participation at the Board / Committee meetings, Effective deployment of knowledge and expertise; Discharge of its functions and duties as per its terms of reference, Process and procedures followed for discharging its functions, Effectiveness of suggestions and recommendations received were considered, for evaluation of Chairman of the Board aspects such as Managing relationship with the members of the Board and management, and effective decision making at the board were considered.

On the basis of performance evaluation done by all the Directors, it was determined whether to continue their term of appointment, whenever the respective term expires. The Directors expressed their satisfaction with the evaluation process.

### 3. INDEPENDENT DIRECTORS' MEETING:

During the year, meeting of Independent Directors was held on 10.02.2017 to review the performance of the Board as a whole on parameters of effectiveness and to assess the quality, quantity and timeliness of flow of information between the management and the Board.

### Remuneration of Directors

(a) Details of Remuneration of Non - Executive Directors:

There were no pecuniary transactions with any non-executive director of the Company.

(b) Details of Remuneration of Executive Directors and Key Managerial Personnel

(Rs/lakhs)

Name of the Director	Salary	Total
Sri Sreedhar Chowdhury	Nil	Nil
Sri S Manohar Raju	Nil	Nil
Sri A Subba Rao	Nil	Nil
Dr.B.NeetaKumari	Nil	Nil
Total		

### 4. STAKEHOLDERS RELATIONSHIP COMMITTEE:

(a) Brief description of terms of reference:

The Stakeholders Relationship Committee oversees and reviews all matters connected with the share transfers and also looks into redressing of shareholders complaints like transfer of shares, non-receipt of annual report/dividends etc. The committee oversees the performance of the Registrar of Transfer Agents and recommends measures for overall improvement in the quality of investor services. Email-Id for Investor Grievance. incon@incon.in, inconengineers@gmail.com

(b) Composition :

S No	Name of the Director	Designation
1	Sri Sreedhar Chowdhury	Chairperson
2	Sri S Manohar Raju	Member
3	Sri A Subba Rao	Member

(c) Name and Designation of Compliance Officer:

Sri Sreedhar Chowdhury, has resigned w.e.f. 29-05-2017 as Compliance Officer, Ms. D. Manoranjani Company Secretary is appointed as Compliance Officer of the Company w.e.f 29-05-2017.

(d) Number of Shareholders complaints received so far.

During the year ended March 31, 2017, the Company has not received any complaints.

(e) Number of complaints not resolved to the satisfaction of shareholders is Nil.

(f) There were no pending complaints as at the year end.



## INCON ENGINEERS LIMITED

### 5. GENERAL BODY MEETINGS:

- i) Location and Time, where last three Annual General Meetings held:

Year	Location	Date	Time
2014	B-6/4, IDA, Uppal, Hyderabad - 500039	30.09.2014	10.00 A.M
2015	B-6/4, IDA, Uppal, Hyderabad - 500039	30.09.2015	11.00 A.M
2016	B-6/4, IDA, Uppal, Hyderabad - 500039	30.09.2016	10.00 A.M

### 6. MEANS OF COMMUNICATION:

#### (a) Financial / Quarterly Results:

The quarterly results of the Company are published in accordance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in widely circulated newspapers namely Business Standard (English daily) and Nava Telangana.

#### (b) Newspapers wherein results normally published

The results of the Company are published in widely circulated newspapers namely Business Standard (English daily) and Nava Telangana.

### 7. GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting	Date: 29 <sup>th</sup> September, 2017
	Time : 10.00 AM
	Venue: B-6/3, IDA, UPPAL, Hyderabad
Financial Calendar	1st April to 31st March.
Date of Book Closure	23.09.2017 to 29.09.2017 (both days inclusive)

The listing fees for the year 2017-18 has been paid to the above stock exchange.

#### MARKET PRICE DATA:

The shares of the Company are thinly traded. The 52nd week high and low on BSE was Rs.12.91 and Rs.7.03

M/s. Venture Capital and Corporate Investments Pvt. Ltd

#### Share Transfer System

SEBI vide its Circular No. CIR/MIRSD/8/2012,

dated July 5, 2012 has reduced the time-line for registering the transfer of shares to 15 days, the Physical share transfers are processed and the share certificates are returned to the shareholders within a maximum period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. In compliance with the Listing Agreement with the Stock Exchanges, a Practicing Company Secretary carries out audit of the system of transfer and a certificate to that effect is issued.

#### DISTRIBUTION OF SHAREHOLDING

##### Shareholding Pattern as on 31st March, 2017:

SNo	Category	No.of.Shares	% Holding
1	Promoters	9	66.34
2	Corporate Bodies	24	0.87
3	FII's	0	0
4	NRI's	5	0.68
5	OCBs	1	4.62
6	Individuals & Foreign Nationals	1039	27.43
7	Clearing Members	4	0.06
	<b>TOTAL</b>	<b>1082</b>	<b>100</b>

##### Distribution of shareholding as on:31.03.2017

Shares	No. of Shareholders	No.of Shares	% of total shares
1-500	705	146409	3.38
501-1000	193	175570	4.06
1001-2000	78	122261	2.83
2001-3000	28	71818	1.66
3001-4000	16	58552	1.35
4001-5000	18	86729	2
5001-10000	17	123372	2.85
10001 and above	29	3542389	81.87
Total	1084	4327100	100

#### Dematerialization of Shares & Liquidity

The Company's shares are available for dematerialization with both the Depositories, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).



## INCON ENGINEERS LIMITED

88.38% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2017 and balance 11.62% is in physical form. The Company's Registrars are M/s Venture Capital and Corporate Investments Pvt. Ltd., having their registered office at 12-10-167, Bharat Nagar, Hyderabad - 500 018.

### viii) Address for Correspondence

S No	Shareholders Correspondence for	Address
1.	Transfer/Dematerialization/ Consolidation /Split of shares, Issue of Duplicate Share Certificates, Non-receipt of dividend/ Bonus shares, etc., change of address of Members and Beneficial Owners and any other query relating to the shares of the Company.	M/s.Venture Capital and Corporate Investments Pvt.Ltd 12-10-167, Bharat Nagar Hyderabad-500018
2.	Investor Correspondence / Queries on Annual Report, Revalidation of Dividend Warrants, Sub-Division, etc.	Company Secretary B-6/3, IDA, Uppal, Hyderabad - 500 039

## 8. OTHER DISCLOSURES

### (a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large;

Besides the transactions mentioned elsewhere in the Annual Report, there were no materially significant related party transactions during the year conflicting with the interest of the Company.

### (b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years ;

None.

### (c) Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee;

Pursuant to Section 177(9) and (10) of the

Companies Act, 2013 and Regulation 22 of the SEBI Listing regulations, 2015, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. During the financial year under review, none of the Complaint has received.

### (d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements;

The Company has complied with all the mandatory requirements of Corporate Governance as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Adoption of non-mandatory requirements pursuant to SEBI (LODR), 2015 is being reviewed by the Board from time to time.

### (e) Disclosure of commodity price risks and commodity hedging activities:

Not applicable

### 9. The Company Complied with the requirements of the Schedule V Corporate Governance report sub-paras(2) to (10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 10. Details of compliance with mandatory requirements and adoption of Discretionary Requirements

The Company has complied with all the mandatory requirements of Corporate Governance as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



## INCON ENGINEERS LIMITED

Adoption of non-mandatory requirements pursuant to SEBI (LODR), 2015 is being reviewed by the Board from time to time.

### 11. The Disclosures of the compliance with Corporate Governance requirements specified in regulation

17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:

Regulation	Particulars of Regulation	Compliance Status (Yes/No)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stake Holders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirement with respect of Subsidiary of Listed entity	Yes
25	Obligation with respect to Independent Director	Yes
26	Obligation with respect to Directors and Senior Management	Yes
27	Other Corporate Governance Requirement	Yes

### 12. Code of Conduct

The Company has in place a comprehensive Code of Conduct applicable to all the employees and Non-Executive Directors including Independent Directors. The Code is applicable to Non-executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law.

### 13. CEO and CFO Certification

In line with the requirements of Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Sri Sreedhar Chowdhury, Managing Director, Sri D Rama Chandra Reddy, Chief Financial Officer (CFO) have submitted a certificate to the Board, certifying inter-alia, that the Financial Statements and the Cash Flow Statement for the year ended March 31, 2017 were reviewed to the best of their knowledge and belief, that they do not contain any material untrue statement, do not omit any material facts, are not misleading statements, together present a true and fair view and are in compliance with the applicable laws and regulations. The certificate further confirms that the transactions entered into by the Company for establishing internal control, financial reporting, evaluation of the internal control systems and making of necessary disclosures to the Auditors and the Audit Committee have been complied with.

### 14. Disclosure with respect to Demat suspense account/ unclaimed suspense account: NIL

### 15. Proceeds from public issues, rights issues, preferential issues, etc.

During the year ended March 31, 2017, there were no proceeds from public issues, rights issues, preferential issues, etc.,

16. The Company has adopted the policy on dissemination of information on the material events to stock exchanges in accordance with the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

17. The Company has adopted the policy on preservation of documents in accordance with the Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



## INCON ENGINEERS LIMITED

### 18. Company Policy on Prevention of Insider Trading:

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, and in continuation with your Company's efforts to enhance the standards of corporate governance in the Company, and to strictly monitor and prevent insider trading within the company, your company has in place a Code of Conduct which is approved by the Board.

The Company Secretary is acting as Compliance Officer for the said purpose. The code is applicable to all such employees, officers, Directors and Promoters of the Company who are expected to have access to the unpublished price sensitive information relating to the Company and the same is being implemented as a self-regulatory mechanism. The code has been circulated to all the members of the Board and Senior Management and others concerned the compliance of the same has been affirmed by them.

### 19. Risk Management Committee:

The Board of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management policy/plan for the Company and ensuring its effectiveness. The Risk Management Committee oversees the Risk Management process including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting. The Audit Committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

For and on behalf of the Board of Directors

Place : Hyderabad  
Date : 29.05.2017

Sd/-  
Sreedhar Chowdhury  
Managing Director  
(DIN:00188924)

Sd/-  
D Ramachandra Reddy  
CFO

### DECLARATION OF COMPLIANCE OF CODE OF CONDUCT

As provided under Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the financial year ended March 31, 2017.

For Incon Engineers Limited

Place: Hyderabad  
Date : 29.05.2017

**SREEDHAR CHOWDHURY**  
Managing Director

### CEO AND CFO CERTIFICATION

We hereby certify that:

- a. we have reviewed financial statements and the cash flow statement for the Financial Year ended 31st March, 2017 and that these statements ;
  - (i) do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
  - (ii) 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. There are no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of Business conduct and Ethics.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee,



## INCON ENGINEERS LIMITED

deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to address these deficiencies.

- d. We have disclosed, wherever applicable to the Auditors and the Audit Committee:
- (i) that there were no deficiencies in the design or operations of Internal Controls that could adversely affect the company's ability to record, process, summarize and report financial data including any corrective actions;
  - (ii) that there are no material weaknesses in the internal controls over financial reporting;
  - (iii) that there are no significant changes in internal control over financial reporting during the year;
  - (iv) all significant changes in the accounting policies during the year, if any, and that the same have been disclosed in the notes of the financial statements; and
  - (v) that there are no instances of significant fraud of which we have become aware of and involvement therein of the management or an employee having a significant role in the company's internal control system over financial reporting.

For Incon Engineers Limited

Place : Hyderabad

Date : 29.05.2017

Sd/- Sd/-  
Sreedhar Chowdhury D Ramachandra Reddy  
Managing Director CFO  
(DIN:00188924)

### 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 ("the Company") for the purpose of certifying of the Corporate Governance under Regulation 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from the period April 01, 2016 to March 31, 2017 we have obtained all information and explanations which to the best of our knowledge and belief were necessary for purpose of certification.

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

Regulation 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 : 29.05.2017

Membership No. A 5499 : CP 1464

SHARAD GUPTA

Practicing Company Secretary



## INCON ENGINEERS LIMITED

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INCON ENGINEERS LIMITED, 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, 2017, and the 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:**

The company's Board of Directors is responsible for the matters states in Section 134(5) of the Companies Act, 2003 ("the Act") with respect to the preparation of the financial statements that give a true and fair view of the financial position financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting standard specified under section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility:**

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

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

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

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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting polices used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### **Opinion :**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, its loss and its cash flow for the year ended on the date.





## INCON ENGINEERS LIMITED

### Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditors' Report) Order, 2016, ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our four 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 the aforesaid financial statements comply with the Accounting Standards Specified under Section 133 of Act, read with Rule 7 of the Companies (Accounts) Rule, 2014
  - (e) On the basis of the written representations received from the Directors, as on 31st March, 2017 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2017, from being appointed as a Director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B"
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance

with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

- (i) The Company has disclosed the impact of pending litigations on its financial positions in its
  - i) Financial statements- Refer Note 27 to the financial statements.
  - ii) The Company did not have any long-term contracts including derivative contracts for which There were any material foreseeable losses.
  - iii) There were no amounts which were required to be transferred to the investor education and Protection Fund by the Company.
  - iv) The Company has provided requisite disclosures in the financial statements as to holding as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management - Refer Note 37

For Brahmayya & Co;  
Chartered Accountants

(P. CHANDRAMOULI)

Partner

Place: Hyderabad

Date : 29.05.2017

Membership Number 025211

### Annexure-A 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 2017.

1. a) The Company has maintained proper records showing full particulars, including



## INCON ENGINEERS LIMITED

- 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 discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such verification between the physical stocks and book records.
3. a) During the year, the Company has not granted any loans, secured or unsecured to Companies, firms limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- b) In view of our comment in paragraph (a) above, Clause (III)(a), (b) and (c) of the paragraph 3 (Auditor's Report) Order 2016 are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has not advanced any loan to any Director and no investments were made during the year as referred to in section 185 and 186 of the Act. Therefore, the provision of paragraph 3 (iv) of the Companies (Auditor's Report) Order 2016 are not applicable to the Company.
5. The Company has not accepted deposits from the public .Hence the provisions of Section 73 to 76 any other relevant provisions of the Companies Act, 2013, and the rules framed there under, do not apply to this Company.
- 6 The Central Government has not prescribed the maintenance of cost records under sub-section (1) of 148 section of the Companies Act, 2013 for the activities of the Company.
- 7 a) According to the records, the Company is regular in depositing undisputed statutory dues including provident fund, employees 'state insurance, income - tax, service tax, duty of customs, duty of excise, value added tax, cess and all other material statutory dues with the appropriate authorities and there were no arrears of statutory dues as at March 31, 2017, for a period of more than six months from the date they become payable.
- b) According to the records of the Company and the information and explanations given to us, there were no dues of Income or sales tax or duty of customs or duty excise or value added tax have not been deposited an account of any dispute.
- 8 As the company has no borrowings, the provision of paragraph 3(viii) of the Companies (Auditor's Report) Order 2016 are not applicable.
- 9 The Company did not raise any money by way of initial public or further offer (including debit instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the companies (Auditor's Report) Order 2016 is not applicable.
- 10 According the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employee has been noticed or reported during the course of our audit.
- 11 During the year, the company did not pay any remuneration to its Directors.



## INCON ENGINEERS LIMITED

Therefore, the provision of paragraph 3(xi) of the Companies (Auditor's Report) order 2016 are not applicable to the Company.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examinations of the records of the Company, transactions with the related parties in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment of private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the company has not entered into non-cash transactions with directors or persons connected with him. According, paragraph 3(xv) of Companies (Auditor's Report) Order 2016 is not applicable.
16. The Company is not required to be registered under section 45-IA of Reserve Bank of India Act 1934.

For Brahmayya & Co;  
Chartered Accountants  
Firms Registration No. 000513S

(P. CHANDRAMOULI)

Place: Hyderabad  
Date : 29.05.2017

Partner  
Membership Number 025211

### **Annexure - B to the Auditors' Report Report on the Internal Financial Controls**

#### **under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of INCON ENGINEERS LIMITED, HYDERABAD ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and



## INCON ENGINEERS LIMITED

plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts

and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Brahmayya & Co;  
Chartered Accountants  
Firm's Registration Number. : 000513S

(P. CHANDRAMOULI)  
Partner

Place: Hyderabad  
Date : 29.05.2017

Membership Number 025211



## INCON ENGINEERS LIMITED

### BALANCE SHEET AS AT 31ST MARCH, 2017

PARTICULARS	NOTES	31.03.2017 Rs.	31.03.2016 Rs.
<b>EQUITY AND LIABILITIES</b>			
<b>Share holders funds</b>			
Share Capital	04	57,137,500	57,137,500
Reserves and Surplus	05	(53,283,193)	(50,569,376)
		<u>3,854,307</u>	<u>6,568,124</u>
<b>Non - Current liabilities</b>			
Long Term Provisions	06	90,010	78,048
		<u>90,010</u>	<u>78,048</u>
<b>Current liabilities</b>			
Trade Payables	07	521,409	415,642
Other Current Liabilities	08	2,209,201	287,985
Short Term Provisions	09	1,486,668	1,471,622
		<u>4,217,278</u>	<u>2,175,249</u>
	<b>TOTAL</b>	<b><u>8,161,595</u></b>	<b><u>8,821,421</u></b>
<b>ASSETS</b>			
<b>Non - Current assets</b>			
Fixed assets :			
Tangible	10	6,163,866	6,450,123
Intangible	11	2,009	9,356
Long Term Loans and Advances	12	116,223	116,223
		<u>6,282,098</u>	<u>6,575,702</u>
<b>Current Assets</b>			
Inventories	13	831,433	327,304
Trade Receivables	14	-	116,850
Cash and Cash Equivalents	15	584,354	1,367,603
Short Term Loans and Advances	16	59,483	66,852
Other Current Assets	17	404,227	367,110
		<u>1,879,497</u>	<u>2,245,719</u>
	<b>TOTAL</b>	<b><u>8,161,595</u></b>	<b><u>8,821,421</u></b>

NOTES FORMING PART OF FINANCIAL STATEMENTS 01 - 37

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 : 29.05.2017

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

**Sreedhar Chowdhury**  
Managing Director

**S. Manohar Raju**  
Director  
D. Ramchandra Reddy  
Chief Financial Officer



## INCON ENGINEERS LIMITED

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2017

PARTICULARS	NOTES	31.03.2017 Rs.	31.03.2016 Rs.
<b>INCOME</b>			
Revenue from operations	18	1,782,181	5,125,075
Other Income	19	998,139	903,406
	<b>TOTAL REVENUE</b>	<b><u>2,780,320</u></b>	<b><u>6,028,481</u></b>
<b>EXPENSES</b>			
Cost of Raw Materials and Stores Consumed	20	721,266	1,276,116
(Increase)/Decrease in Inventories	21	(509,650)	21,722
Employee Benefit Expense	22	2,927,691	3,242,050
Finance Costs	23	1,685	4,860
Depreciation expense	24	294,954	465,196
Other Expenses	25	2,058,191	2,621,105
	<b>TOTAL EXPENSES</b>	<b><u>5,494,137</u></b>	<b><u>7,631,049</u></b>
<b>PROFIT / (Loss) BEFORE TAX</b>		<b><u>(2,713,817)</u></b>	<b><u>(1,602,568)</u></b>
TAX EXPENSES		---	---
<b>PROFIT / (Loss) FOR THE YEAR AFTER TAX</b>		<b><u>(2,713,817)</u></b>	<b><u>(1,602,568)</u></b>
Earnings per Share of face Value of Rs.10/- each: Basic and diluted	26	(0.63)	(0.37)
<b>NOTES FORMING PART OF FINANCIAL STATEMENTS</b>	01 - 38		

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 : 29.05.2017

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

**Sreedhar Chowdhury**  
Managing Director

**S. Manohar Raju**  
Director

D. Ramchandra Reddy  
Chief Financial Officer



## INCON ENGINEERS LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

Particulars	31.03.2017 Rs.	31.03.2016 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items	(2,713,817)	(1,602,568)
Adjustments for:		
Excess Provisions written back	(98,673)	
Depreciation	294,594	465,196
Interest Received	(53,424)	(76,183)
Bad Debts written off	3,450	-
Warranty Period Maintenance	-	75,000
Operating profit before Working Capital changes	<u>(2,567,510)</u>	<u>(1,138,555)</u>
Adjustments for :		
Increase/(Decrease) in Long Term Provisions	11,962	16,845
Increase/(Decrease) in Trade Payables	105,767	10,734
Increase/(Decrease) in Other Current Liabilities Payables	1,921,216	(610,118)
Increase/(Decrease) in Short Term Provisions	113,719	142,025
(Increase)/Decrease in Short Term Loans & Advances	7,369	61,196
(Increase)/Decrease in Trade Receivables	113,400	610,862
(Increase)/Decrease in Inventories	(504,129)	467,814
(Increase)/Decrease in Other Current Assets	(90,793)	76,874
Cash generated from operations	<u>(888,999)</u>	<u>(362,323)</u>
Income tax	(3,547)	125,947
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b><u>(892,546)</u></b>	<b><u>(236,376)</u></b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	<u>(1350)</u>	<u>(4,800)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b><u>(1350)</u></b>	<b><u>(4,800)</u></b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Received	110,647	45,541
<b>NET CASH GENERATED IN FINANCING ACTIVITIES</b>	<b><u>110,647</u></b>	<b><u>45,541</u></b>
Net increase in cash and cash equivalents (A+B+C)	(783,249)	(195,635)
Cash and Cash equivalents as at the beginning of the year	1,367,603	1,563,238
Cash and Cash equivalents as at the end of the year #	<u><b>584,354</b></u>	<u><b>1,367,603</b></u>
# including restricted amount of		645,090

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 : 29.05.2017

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

**Sreedhar Chowdhury**  
Managing Director

**S. Manohar Raju**  
Director

**D. Ramchandra Reddy**  
Chief Financial Officer



## INCON ENGINEERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

#### 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 accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 and 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 is provided considering the useful lives of respective assets, as provided and prescribed under schedule II of the Companies Act, 2013
- 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.





### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017.

**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.



### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017.

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.

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.



### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017.

**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.

**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 31<sup>st</sup> MARCH, 2017

Particulars	31.03.2017 Rs.	31.03.2016 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/-	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 ensuring Annual General Meeting.

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

	31.03.2017		31.03.2016	
	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, 2017

Particulars	31.03.2017 Rs.	31.03.2016 Rs.
<b>05 RESERVES AND SURPLUS:</b>		
Capital Reserves : Opening and Closing Balance	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	(50,728,049)	(49,125,481)
Add: Net profit after tax transferred from Statement of Profit and Loss	(2,713,817)	(1,602,568)
Amount available for appropriation	(53,441,866)	(50,728,049)
Appropriations:	-	-
Closing Balance	(53,441,866)	(50,728,049)
<b>TOTAL</b>	<b>(53,283,193)</b>	<b>(50,569,376)</b>
<b>06 LONG TERM PROVISIONS</b>		
Provision for employee benefits :		
Provision for Leave Encashment	90,010	78,048
<b>TOTAL</b>	<b>90,010</b>	<b>78,048</b>
<b>07 TRADE PAYABLES</b>		
Creditors for Supplies and Services (refer Note 31)	265,475	142,586
Creditors for accrued wages and salaries	255,934	273,056
<b>TOTAL</b>	<b>521,409</b>	<b>415,642</b>
<b>08 OTHER CURRENT LIABILITIES</b>		
Advance from Customers	318,000	
Others		
Security deposit from a related Party	180,000	180,000
Other Statutory dues	47,718	57,693
Other Payables	58,483	50,292
Due to Directors	1,605,000	-
<b>TOTAL</b>	<b>2,209,201</b>	<b>287,985</b>
<b>09 SHORT TERM PROVISIONS</b>		
Provision for employee benefits :		
Provision for Gratuity	1,485,996	1,372,386
Provision for leave Encashment	672	563
Other Provision		
Provision for Warranties	-	98,673
<b>TOTAL</b>	<b>1,486,668</b>	<b>1,471,622</b>



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

10. FIXED ASSETS : TANGIBLE

(Amount in Rupees)

S.NO.	DESCRIPTION	GROSS BLOCK		DEPRECIATION BLOCK			NET BLOCK		
		As at 1.4.2016	As at 31.3.2017	Up to 31.3.2016	For the Year	On Deletions	Up to 31.3.2017	As at 31.03.2017	As at 31.03.2016
1	Land	3,778,773	-	-	-	-	-	3,778,773	3,778,773
2	Buildings - Factory	5,752,171	-	3,769,279	148,245	-	3,917,524	1,834,647	1,982,982
3	Plant and Machinery	2,646,634	-	2,074,087	124,543	-	2,198,630	448,004	572,547
4	Furniture and Fixtures	132,500	-	21,083	13,469	-	34,552	97,948	111,417
5	Office Equipment	16,650	1,350	15,960	1,350	-	17,310	690	690
6	Data Processing Equipment	80,873	-	77,069	--	-	77,069	3,804	3,804
	<b>Total Rs.</b>	<b>12,407,601</b>	<b>1,350</b>	<b>5,957,478</b>	<b>287,607</b>	<b>-</b>	<b>6,245,085</b>	<b>6,163,866</b>	<b>6,450,123</b>
	<b>PREVIOUS YEAR</b>	<b>Rs. 12,402,801</b>	<b>4,800</b>	<b>5,505,087</b>	<b>452,391</b>	<b>-</b>	<b>5,957,478</b>	<b>6,450,123</b>	<b>6,897,714</b>

11. FIXED ASSETS : INTANGIBLE

S.NO.	DESCRIPTION	GROSS BLOCK		AMORTISATION			NET BLOCK		
		As at 1.4.2016	As at 31.3.2017	Up to 31.3.2016	For the Year	On Deletions	Up to 31.3.2017	As at 31.03.2017	As at 31.03.2016
1	Computer Software	40,201	-	30,845	7,347	-	38,192	2,009	9,356
	<b>Total Rs.</b>	<b>40,201</b>	<b>-</b>	<b>30,845</b>	<b>7,347</b>	<b>-</b>	<b>38,192</b>	<b>2,009</b>	<b>9,356</b>
	<b>PREVIOUS YEAR</b>	<b>Rs. 40,201</b>	<b>-</b>	<b>18,040</b>	<b>12,805</b>	<b>-</b>	<b>30,845</b>	<b>9,356</b>	<b>22,161</b>



## INCON ENGINEERS LIMITED

### NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

Particulars	31.03.2017 Rs.	31.03.2016 Rs.
<b>12 LONG TERM LOANS AND ADVANCES</b> ( Unsecured, Considered good)		
Security Deposits	116,223	116,223
<b>TOTAL</b>	<b>116,223</b>	<b>116,223</b>
<b>13 INVENTORIES</b>		
Raw Materials at Cost	90,618	96,139
Finished Goods at realisable Value	104,629	123,093
Work in Progress at Cost	636,186	108,072
<b>TOTAL</b>	<b>831,433</b>	<b>327,304</b>
<b>14 TRADE RECEIVABLES</b> (Unsecured, Considered good)		
Due for less than Six months*	-	116,850
<b>TOTAL</b>	<b>-</b>	<b>116,850</b>
*Includes due from related parties	-	113,400
<b>15 CASH AND CASH EQUIVALENTS</b>		
Balances with Banks:		
on Current accounts	557,148	705,311
Cash on hand	27,206	17,202
Other Bank balances:		
Margin Deposits	-	645,090
<b>TOTAL</b>	<b>584,354</b>	<b>1,367,603</b>
<b>16 SHORT TERM LOANS AND ADVANCES</b> ( Unsecured, Considered good)		
Staff advances	31,000	58,400
Balance with Statutory authorities	28,483	8,452
<b>TOTAL</b>	<b>59,483</b>	<b>66,852</b>
<b>17 OTHER CURRENT ASSETS</b>		
Interest Accrued	4,125	61,348
Prepaid Expenses	31,760	27,053
Advance income Tax	261,824	258,277
Other Receivables :		
Due from Others	509	-
Due from a Related Party	106,009	20,432
<b>TOTAL</b>	<b>404,227</b>	<b>367,110</b>
<b>18 REVENUE FROM OPERATIONS</b>		
<b>Sale of Product : Finished Goods</b>		
Fluid Energy Mills	-	3,968,583
FEM Spares	1,276,041	782,465
Services Rendered		
Manpower Supply	506,140	374,027
Erection Charges	-	-
<b>TOTAL</b>	<b>1,782,181</b>	<b>5,125,075</b>



## INCON ENGINEERS LIMITED

### NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

Particulars	31.03.2017 Rs.	31.03.2016 Rs.
<b>19 OTHER INCOME</b>		
Interest on		
Bank Deposits	53,424	76,183
Others	7,512	28,623
	-	-
Other Non Operating Income ( net of expenses)		
Rent earned	838,530	798,600
Excess Provision / credit balance written back	98,673	-
<b>TOTAL</b>	<b>998,139</b>	<b>903,406</b>
<b>20 COST OF RAW MATERIAL &amp; COMPONENTS CONSUMED</b>		
Inventory at the beginning of the year	96,139	542,231
Add : Purchases	642,375	1,129,441
Purchase of Components	73,370	139,378
	811,884	1,811,050
Less : Cost of Inventory Sold	-	438,795
Inventory at the end of the year	90,618	96,139
<b>TOTAL</b>	<b>721,266</b>	<b>1,276,116</b>
<b>Details of raw material and components consumed :</b>		
MS Steel	369,510	745,771
Others	351,756	530,345
	<b>721,266</b>	<b>1,276,116</b>
<b>Details of Inventory :</b>		
Others	90,618	96,139
	<b>90,618</b>	<b>96,139</b>
<b>21 (INCREASE)/DECREASE IN INVENTORIES</b>		
<b>Inventories at the end of the year</b>		
Finished Goods	104,629	123,093
Work in Progress	636,186	108,072
	<b>740,815</b>	<b>231,165</b>
<b>Inventories at the beginning of the year</b>		
Finished Goods	123,093	144,815
Work in progress	108,072	108,072
	<b>231,165</b>	<b>252,887</b>
(Increase)/Decrease	<b>(509,650)</b>	<b>21,722</b>
<b>TOTAL</b>	<b>(509,650)</b>	<b>21,722</b>
<b>22 EMPLOYEE BENEFIT EXPENSE</b>		
Salaries, Wages and Bonus	2,564,746	2,746,954
Contribution to Provident and Other Funds	194,563	218,562
Staff Welfare Expenses	54,772	58,239
Gratuity Expenses	113,610	218,295
<b>TOTAL</b>	<b>2,927,691</b>	<b>3,242,050</b>





## INCON ENGINEERS LIMITED

### NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

Particulars	31.03.2017	31.03.2016
	Rs.	Rs.
<b>23 FINANCE COSTS</b>		
Bank Charges	1,685	4,860
<b>TOTAL</b>	<b>1,685</b>	<b>4,860</b>
<b>24 DEPRECIATION EXPENSE</b>		
Depreciation on Tangible Assets	287,607	452,391
Depreciation on Intangible Assets	7,347	12,805
<b>TOTAL</b>	<b>294,954</b>	<b>465,196</b>
<b>25 OTHER EXPENSES</b>		
Job Work Charges	82,748	135,138
Power and Fuel	115,281	111,646
Rates and Taxes	355,835	571,397
Insurance	31,548	31,155
Advertisement	25,927	44,070
Communications	60,938	71,835
Travelling and Conveyance	53,489	57,110
Legal and Professional Charges	379,372	284,851
Payments to Auditors		
as auditors	34,500	34,350
for certification	20,108	11,988
Repairs and Maintenance to:		
Machinery	4,367	12,757
Buildings	8,159	3,479
Other Assets	28,099	12,167
Watch and Ward Expenses	397,871	394,980
Miscellaneous expenses	456,499	505,906
Bad Debts written off	3,450	-
Warranty Period Maintenance	-	75,000
Loss on sale of Inventory	-	263,276
<b>TOTAL</b>	<b>2,058,191</b>	<b>2,621,105</b>
<b>26 EARNING PER SHARE</b>		
Net Profit for the Year attributable to Equity Shareholders	(2,713,817)	(1,602,568)
Weighted average number of equity Shares of Rs. 10/- each	4,327,100	4,327,100
<b>Earning per Share (Basic and Diluted) (Rs.)</b>	<b>(0.63)</b>	<b>(0.37)</b>
<b>27 COMMITMENTS AND CONTINGENT LIABILITIES</b>		
a) Bank Guarantees	-	645,090
b) Claims against the Company not acknowledged as debts	1,748,357	1,728,705
<b>TOTAL</b>	<b>1,748,357</b>	<b>2,373,795</b>



## INCON ENGINEERS LIMITED

### NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

28	Analysis of materials consumed.	31.03.2017		31.03.2016	
		Percentage	Value in Rs.	Percentage	Value in Rs.
	Imported	---	---	-	-
	Indigenous	100.00	721,266	100.00	1,276,116
	<b>TOTAL</b>	<b>100.00</b>	<b>721,266</b>	<b>100.00</b>	<b>1,276,116</b>

29. 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.
30. 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.
31. During the year, there were no transactions with "Micro, Small and Medium Enterprises; hence disclosures as per Micro, Small and Medium Enterprise Development Act, 2006, are not applicable for the time being.
32. Disclosure relating to the Gratuity liability (un funded) as per Accounting standard 15 "Employee Benefits"

( amount in rupees)

a)	The amounts recognised in the Balance Sheet	31.03.2017	31.03.2016
	Present Value of obligation	1,485,996	1,372,386
	Fair value of plan assets	Nil	Nil
	<b>Net liability recognised in the Balance sheet as Provision</b>	<b>1,485,996</b>	<b>1,372,386</b>
b)	Changes in the present value of the defined obligation		
	Opening defined benefit obligation	1,372,386	1,154,091
	Current service Cost	56,731	53,787
	Interest Cost	109,791	92,327
	Benefits paid	-	-
	Actuarial (gain)/loss on obligation	(52,912)	72,181
	<b>Closing defined benefit obligation</b>	<b>1,485,996</b>	<b>1,372,386</b>
c)	Amounts recognised in the Statement of Profit and Loss		
	Current service Cost	56,731	53,787
	Interest Cost	109,791	92,327
	Actuarial (gain)/loss on obligation	(52,912)	72,181
	<b>Net benefit Expenditure</b>	<b>113,610</b>	<b>218,295</b>
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



## INCON ENGINEERS LIMITED

### NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

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.

33. 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)

34. 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
- ii) 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	31.03.2017	31.03.2016
	(amount in Rs.)	
i) Key Management Personnel		
Sri Sreedhar Chowdhury.		
Advances Taken	1,605,000	625,000
Advances Repaid	-	1,245,000
ii) Associates		
Oxeeco Technologies Private Limited,		
Services Rendered	440,800	317,150
Rents Received	838,530	798,600
c) Year end Balances { due from/( due to ) }		
i) Sri Sreedhar Chowdhury.	(1,605,000)	-
ii) Oxeeco Technologies Private Limited,	(73,991)	(46,168)



## INCON ENGINEERS LIMITED

### NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

35. 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 Tax on Income", and based on general prudence, the Company has not recognised any Deferred tax Asset while preparing the accounts for the current year.
36. 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.
- 37 Details of Specified bank notes as per Notification No.G.S.R.308• of 2017: (Amount Rs)

Particulars	Specified Bank notes	Other denomination notes	Total
Closing cash in hand			
As on 08.011.2016	500	46,773	47,273
(+) Permitted receipts	-	97,000	97,000
(-) Permitted Payments	-	87,605	87,605
(-) Amount deposited in Banks	500	680	1,180
Closing cash in hand			
as on 30.12.2016	-	55,488	55,488

38. 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 No. : 000513S

For and on Behalf of the Board

Place: Hyderabad  
Date : 29.05.2017

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

**Sreedhar Chowdhury**  
Managing Director

**S. Manohar Raju**  
Director

D. Ramchandra Reddy  
Chief Financial Officer



**INCON ENGINEERS LIMITED**

**INCON ENGINEERS LIMITED**

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

**FORM MGT-11 PROXY FORM**

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

Regd. Folio No. :	*DPID :
No. of Shares held :	*Client ID :

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 : \_\_\_\_\_

or failing him/her and whose signatures are appended below as my / our proxy to attend and vote, incase of a poll, for me / us and on my / our behalf at the Forty Seventh Annual General Meeting of the Company, to be held on Friday, the 29th day of September, 2017 at 10.00 A.M. at B-6/3,IDA, Uppal, Hyderabad - 500 039 and at any adjournment there of in respect of resolutions are indicated below:



## INCON ENGINEERS LIMITED

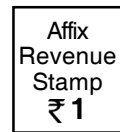
Sl. No	Resolution (s)	Vote	
		For	Against
1.	Adoption of Audited Balance Sheet as at March 31, 2017, the statement of Profit & Loss and Cash Flow Statement along with report of Auditors and Director thereon		
2.	To appoint a director in place of Dr.B.NeetaKumari (DIN 00313522) who retires by rotation and being eligible offers herself for reappointment.		
3	Appointment of Auditors and Fixation of their Remuneration		

\*Applicable for investors holding shares in Electronic form.

Signed this day of \_\_\_\_\_ 2017

Signature of Shareholder \_\_\_\_\_

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



### NOTE :

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



## INCON ENGINEERS LIMITED

### INCON ENGINEERS LIMITED

CIN: L74210TG1970PLC001319

Regd. Office: B-6/3, I.D.A., Uppal, Hyderabad - 500039

Tel.: +91-40-27203943 Fax: +91-40-27201271

### ATTENDANCE SLIP

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

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

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

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

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

I hereby record my presence at the 47th Annual General Meeting of the INCON ENGINEERS LIMITED., to be held on Friday, the 29th day of September, 2017 at 10.00 A.M. at B-6/3,IDA, Uppal, Hyderabad - 500 039.

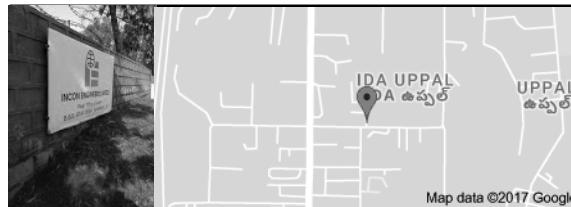
..... Member's / Proxy's Signature

#### NOTE:

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

**In terms of the requirement of the secretarait standard on General Meetings (SS-2) issued by Institute of Companies Secretarait of India route map for the location of the Venue of the 47th Annual General Meeting is given below :**

#### ROUTE MAP FOR AGM VENUE



Registered Office :

Address : Near Modern Bread, INCON Engineers Limited, IDA, Uppal, Hyderabad - 500039

Ph. : .27203943

**Printed Matter  
BOOK POST**

If undelivered, please return to :

**INCON ENGINEERS LIMITED**

B-6/3, IDA, Uppal,  
Hyderabad - 500 039.