

Date: 05.09.2019
Ref: INCON/SEC/2019

The BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
MUMBAI – 400001

Dear Sir/Madam,

Sub: Annual Report 2018-19 together with the Notice of 49th Annual General Meeting (AGM) to be held on 30th September 2019.

We are herewith submitting the Annual Report 2018-19 together with the Notice for 49th Annual General Meeting (AGM) to be held on Monday, 30 September 2019 at 9.30 A.M at B-6/3, IDA, Uppal, Hyderabad – 500039, Telangana, India, which is being dispatched/sent to the members by the permitted mode(s).

Kindly take the same of record and acknowledge the receipts.

Thanking You,
Yours faithfully
For Incon Engineers Limited



D. Maharanjani
Company Secretary & Compliance Officer

49th Annual Report

2018 - 2019



INCON ENGINEERS LIMITED



C O N T E N T S

1. Notice
2. Director's Report with Annexures:
 - Annexure-I (Conservation of Energy, Technology Absorption,
Foreign Exchange Earnings and Outgo)
 - Annexure -II (Form No.AOC-2)
 - Annexure -III (Extract of Annual Return - MGT-9)
 - Annexure -IV (Secretarial Audit Report)
 - Annexure-V (Management Discussion and Analysis Report)
3. Corporate Governance Report
4. Independent Auditors Report
5. Balance Sheet
6. Statement of Profit and Loss Account
7. Cash Flow Statement
8. Notes to the Financial Statements
9. Proxy Form
10. Attendance Slip



CORPORATE INFORMATION

Board of Directors

SRI SREEDHAR CHOWDHURY	Managing Director (DIN: 00188924)
SRI S. MANOHAR RAJU	Non Executive Independent Director (DIN:00188956)
SRI A. SUBBA RAO	Non Executive Independent Director (DIN: 00313644)
Dr. B. NEETA KUMARI	Non Executive Director (DIN:00313522)

AUDITORS

M/s. K.S. Rao & Co.
Flat No. 403 & 404
Golden Green Apartment
Irrum Manzil Colony, Hyderabad - 500 082

BANKERS

M/s. State Bank of India
Commercial Branch
Koti, Hyderabad - 500 095.

REGISTRAR & SHARE 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

EMAIL ID incon@incon.in, inconengineers@gmail.com



INCON ENGINEERS LIMITED

NOTICE OF 49TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Forty Ninth Annual General Meeting of INCON ENGINEERS LIMITED** will be held on **Monday, 30th September, 2019 at 9.30 AM** at B-6/3, IDA, Uppal, Hyderabad - 500039 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2019, including the Audited Balance Sheet as at 31st March 2019, together with the reports of the Directors and Auditors thereon.
2. To consider appointment of a Director in place of Dr. B. Neeta Kumari (DIN 00313522) who retires by rotation and being eligible offers herself for re-appointment.

SPECIAL BUSINESS:

3. **Appointment of Mr. S. Manohar Raju as Independent Director of the Company:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provision(s) of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 that Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force, Mr. S. Manohar Raju (DIN No.00188956) who was appointed as an Independent Director of the Company to hold office upto the date of 49th Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for re-appointment for second term of 5 (five) consecutive years, be and is hereby appointed as an Independent Director of the Company for a second term to hold the office for five consecutive years from the conclusion of 49th Annual General Meeting of the Company upto the 54th Annual General Meeting."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to perform all acts, deeds, matters that things and take such decisions/steps as may be necessary, expedient or desirable to give effect to the aforesaid resolution."

4. **Appointment of Mr. A. Subba Rao as Independent Director of the Company:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 that Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force, Mr. A. Subba Rao (DIN No.00313644) who was appointed as an Independent Director of the Company to hold office upto the date of 49th Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for re-appointment for second term of 5 (five) consecutive years, be and is hereby appointed as an Independent Director of the Company for a second term to hold the office for five consecutive years from the conclusion of 49th Annual General Meeting of the Company upto the 54th Annual General Meeting."



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Requirements) Regulations, 2015 and who is eligible for re-appointment for second term of 5 (five) consecutive years, be and is hereby appointed as an Independent Director of the Company for a second term to hold the office for five consecutive years from the conclusion of 49th Annual General Meeting of the Company upto the 54th Annual General Meeting."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to perform all acts, deeds, matters that things and take such decisions/steps as may be necessary, expedient or desirable to give effect to the aforesaid resolution."

5. Transactions with the Related Parties:

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution.

"RESOLVED that pursuant to provisions of Section 188 and other applicable provisions, if any of Companies Act, 2013, the consent of the member of the Company be and is hereby accorded to the Board of Directors to enter into a contract or arrangements with the related party, M/s.Oxeeco Technologies Private Limited with respect to the supply of manpower for design, fabrication, erection and commissioning of the various chemical process equipment as per the details given below."

"RESOLVED FURTHER that the Company take up technical services and labour contract from M/s. Oxeeco Technologies Private Limited from time to time at the following rates.

A) Engineers	Rs.2100/- per shift
B) Diploma Engineers	Rs.1800/- per shift
C) Graduate Staff	Rs.1500/- per shift
D) Skilled Fitters, Welders, Machinists,etc	Rs. 800/- per shift
E) Semi-skilled workmen	Rs. 600/- per shift

TOTAL VALUE OF CONTRACT:

Rs.75.00 lakhs

DURATION OF CONTRACT:

To be executed over a period of 36 months

From the date of approval by the shareholders

Validity & Escalation:

The above rates are valid for works executed upto 31.03.2021. 20% escalation in prices will be applicable for works executed after 31.03.2021."

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory contractual or otherwise in relation to the above Contract and to settle all matters arising out of and incidental thereof and to sign and execute all things, documents that may be required on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary or incidental thereof for the purpose of giving effect to this resolution".

**By order of the Board
For Incon Engineers Limited**

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

Place : Hyderabad

Date : 29.05.2019



INCON ENGINEERS LIMITED

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF, AND THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY, PROXIES TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN AGGREGATE NOT MORE THEN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THEN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY, PROVIDED THAT THE PERSON DOES NOT ACT AS PROXY, PROVIDED THAT THE PERSON DOES NOT ACT AS PROXY FOR ANY OTHER MEMBER.
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. Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its rights to take all steps as may be deemed necessary to restrict non-members from attending the meeting
4. In order to enable us to register your attendance at the venue of the Annual General Meeting, we request you to bring your folio number/demat account number/DP ID-Client ID to enable us to give you a duly filled attendance slip for your signature and participation at the meeting.
5. In case of joint holders attending the meeting, only such joint holder who is higher in order of names would be entitled to vote.
6. The Register of Members and Share Transfer books will remain closed from **25.09.2019 to 30.09.2019** (both days inclusive)
7. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to certain ordinary business and the special business to be transacted at the Annual General Meeting is annexed hereto. All Documents referred to in the accompanying notice and the explanatory statement shall be open for inspection at the Registered Office of the Company during business hours except on holidays, up to and including the date of the Annual General Meeting.
8. At the 47th Annual General Meeting of the Company held on 29th September, 2017 at 10 A.M, the members approved appointment of M/s.K.S. Rao Co., Chartered Accountants, Regn No. 003109S be and is here by appointed as a Statutory Auditors of the company to hold office for a period of five years from the conclusion of that Annual General meeting till the conclusion of 52nd Annual General Meeting, subject to ratification of their appointment by members at every Annual General Meeting if so required by the Companies Act 2013. vide notification date May 7, 2018, the Ministry of Corporate Affairs has done away with requirement of seeking ratification of members for appointment of auditors at every Annual General Meeting. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the 49th Annual General Meeting.
9. The Company has provided a facility to exercise their right to vote by electronic means. A separate e-voting instructions slip has been sent explaining the process of e-voting with necessary user id and password along with procedure for such e-voting. Such remote e-voting facility is in addition to voting that may take place at the meeting venue on 30th September, 2019.



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10. The Company has appointed Mr. Sharad Gupta & Co., Practising Company Secretary, to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner.
11. The facility for voting shall be made available at the venue of the Annual General Meeting and the members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the Annual General Meeting. The members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.
12. The details of the Directors seeking re-appointment at the Annual General Meeting are provided in **Annexure A** of this Notice. The Company has received the necessary consent/declarations for the re-appointment under the Companies Act, 2013 and the rules thereunder.
13. In case of any queries regarding the Annual Report, members may write to mail to inconengineers@gmail.com to receive an email response. Members desiring any information relating to the financial statements at the meeting are requested to write to us at least ten days before the meeting to enable us to keep the information.

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

Item 3

Mr. S. Manohar Raju was appointed as an independent non-executive Director of the Company by the members at 44th Annual General Meeting of the Company held on 30.09.2014 for a period of five consecutive years for a term upto 49th Annual General Meeting of the Company to be held in the year 2019.

As per Section 149 (10) of the Companies Act, 2013, an independent Director shall hold office for a term upto five consecutive years on the Board of the Company and shall be eligible for re-appointment on passing a Special Resolution by the Company for another term upto five consecutive years of the Board of the Company.

Further, Regulation 25(2) of SEBI Regulation provides that the maximum tenure of the independent Director shall be in accordance with the Companies Act, 2013. Accordingly, Mr. S. Manohar Raju being eligible for re-appointment as an independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of five consecutive years. The Company has received a declaration from him stating that he meets the criteria of independence as specified under Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Regulations. Mr. S. Manohar Raju has also given his consent to continue to act as Director of the Company, if so appointed by the members.

Mr. S. Manohar Raju is not related to any director of the Company. The Board considers that continued association of Mr. S. Manohar Raju would be of immense benefit to the Company. Accordingly, it is desirable to continue to avail services of Mr. S. Manohar Raju.

The Board recommends the passing of a Special Resolution in relation to the re-appointment of Mr. S. Manohar Raju as an independent Director for another term of five consecutive years for the period as mentioned in the enabling resolution.

Except Mr. S. Manohar Raju being an appointee, none of the director and key managerial personnel of the Company and their relatives are concerned or interested financially or otherwise in the resolution set-out at item 3 of the accompanying notice of the Annual General Meeting.



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Item 4

Mr. A. Subba Rao was appointed as an independent non-executive Director of the Company by the members at 44th Annual General Meeting of the Company held on 30.09.2014 for a period of five consecutive years for a term upto 49th Annual General Meeting of the Company to be held in the year 2019.

As per Section 149 (10) of the Companies Act, 2013, an independent Director shall hold office for a term upto five consecutive years on the Board of the Company and shall be eligible for re-appointment on passing a Special Resolution by the Company for an another term upto five consecutive years of the Board of the Company.

Further, Regulation 25(2) of SEBI Regulation provides that the maximum tenure of the independent Director shall be in accordance with the Companies Act, 2013. Accordingly, Mr. A. Subba Rao being eligible for re-appointment as an independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of five consecutive years. The Company has received a declaration from him stating that he meets the criteria of independence as specified under Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Regulations. Mr. A. Subba Rao has also given his consent to continue to act as Director of the Company, if so appointed by the members.

Mr. A. Subba Rao is not related to any director of the Company. The Board considers that continued association of Mr. A. Subba Rao would be of immense benefit to the Company. Accordingly, it is desirable to continue to avail services of Mr. A. Subba Rao.

The Board recommends the passing of a Special Resolution in relation to the re-appointment of Mr. A. Subba Rao as an independent Director for another term of five consecutive years for the period as mentioned in the enabling resolution.

Except Mr. A. Subba Rao being an appointee, none of the director and key managerial personnel of the Company and their relatives are concerned or interested financially or otherwise in the resolution set-out at item 4 of the accompanying notice of the Annual General Meeting.

Item 5

The Company proposes to enter into an agreement with M/s.Oxeeco Technologies Private Limited with respect to taking up technical services and labour contract from M/s.Oxeeco Technologies Private Limited from time to time for an amount aggregating to Rs.75.00 lakhs.

The above contract is to be executed over a period of 36 months from the date of approval by the shareholders. M/s.Oxeeco Technologies Private Limited is promoted by Sreedhar Chowdhury, who is also the main promoter of your Company. Section 188 of the Companies Act, 2013 requires the approval of shareholders as value of agreement is likely to execute the limits specified in the Act.

None of the directors except Mr. Sreedhar Chowdhury is concerned or interested in the said resolution.

**By order of the Board of Directors of
INCON ENGINEERS LIMITED**

**Place: Hyderabad
Date: 29.05.2019**

**SREEDHAR CHOWDHURY
MANAGING DIRECTOR**



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ANNEXURE - A

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

Name of the Director	Mr. S. Manohar Raju
DIN No.	00188956
Date of Birth	15.08.1956
Experience	Over 40years' experience in industry with focusing finance.
Remuneration	-
Last drawn salary	-
No. of Board Meetings attended	4
Directorships with other companies	2
No. of shares held in the Company as on 31.03.2019	52600

Name of the Director	Mr. A. Subba Rao
DIN No.	00313644
Date of Birth	10.05.1954
Experience	Working in senior technical positions in various companies for over 43 years.
Remuneration	-
Last drawn salary	-
No. of Board Meetings attended	2
Directorships with other companies	1
No. of shares held in the Company as on 31.03.2019	10100

Name of the Director	Dr. B. Neeta Kumari
DIN No.	00313522
Date of Birth	10.06.1959
Experience	Worked in senior technical positions in various companies for over 26 years.
Remuneration	-
Last drawn salary	-
No. of Board Meetings attended	4
Directorships with other companies	-
No. of shares held in the Company as on 31.03.2019	-



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DIRECTORS REPORT

To the Members,

The Directors are pleased to present the 49th Annual Report and the Audited Financial Statements for the year ended 31st March, 2019.

1. FINANCIAL RESULTS

The performance during the period ended 31st March 2019 has been as under

	(Rupees in lakhs)	
Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Revenue from operations and other income (gross)	61.93	97.59
Profit before finance costs and depreciation, amortization expense	(14.65)	8.16
Finance Cost	0.06	0.12
Depreciation and amortization expense	2.45	2.79
Profit / (Loss) after tax	(12.69)	5.24
Other Comprehensive income	(0.65)	(1.75)
Total comprehensive income	(13.35)	3.48

2. PERFORMANCE

Operations

The sales during the year ended 31st March 2019 have been reduced to Rs. 61.93 lakhs from Rs. 97.59 lakhs of the previous year as some of the prospective purchases were postponed by our customers. The Company registered a net loss of Rs. 14.65 lakhs before providing for depreciation of Rs. 2.45 lakhs.

3. DEPOSITS

During the year under review, the Company did not accept any deposits

4. 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 to the Companies (Accounts) Rules, 2014 are provided in **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 confirms:-

- That the preparation of the annual accounts for the financial year ended 31.03.2019, the applicable accounting standards have been followed along with proper explanations 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, 2019 and the profit and loss of the company for the 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 of the Company assets and for preventing and detecting fraud and other irregularities.
- That the directors have prepared the annual accounts for the financial year ended 31st March, 2019 on a going concern basis.
- 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 and
- 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.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity



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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.

7. COURT/TRIBUNAL ORDERS

There were no instances of any significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

8. RELATED PARTY CONTRACTS AND ARRANGEMENTS

The contracts or arrangements of the Company with related parties during the period under review referred to in Section 188(1) of the Companies Act, 2013 were in ordinary course of business and on arm's length basis. During the year, the Company had entered into the contract/arrangement/transaction with related parties which could be considered material in accordance with the related party transaction policy of the Company. The said policy is approved by the Board as per the terms of provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The prescribed form AOC-2 of the Companies (Accounts) Rules, 2014 is enclosed as **Annexure-II** to this report,

9. ANNUAL RETURN

In terms of provisions of Section 92(3) of the Companies Act, 2013 read with the Companies

(Amendment) Act, 2017 and the relevant rules made thereunder, a copy of the Annual Return is enclosed in **Annexure - III** to this report.

10. INDEPENDENT DIRECTORS

In terms of provisions of Section 149(7) of the Companies Act, 2013 all the Independent Directors of the Company have furnished a declaration to the Compliance Officer of the Company at the meeting of the Board of Directors held on 29th May, 2019 stating that they fulfill the criteria of Independent Director as prescribed under section 149(6) of the Companies Act, 2013 and are not being disqualified to act as an Independent Director.

In terms of the Regulation 2(57) of the Regulations, the Company has adopted a familiarization programme for the Independent Directors to familiarize them with working of the Company, nature of the industry in which the Company operates, business model of the Company, their roles, rights, responsibilities and other relevant details.

11. SUBSIDIARIES:

Your Company does not have subsidiaries

12. INTERNAL AUDITORS

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

13. SECRETARIAL AUDITOR

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 31st, 2019.

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.



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

We hereby state that the Company applied for delisting of shares from Calcutta Stock Exchange on 22.11.2005. Company followed 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 delisting application is processed and completed.

14. STATUTORY AUDITORS

M/s. K.S.Rao & Co, Chartered Accountants were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 29.05.2017 for five consecutive years. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting.

In accordance with the Companies Amendment Act, 2017 enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

The Report given by the Auditors on the financial statement of the Company is part of this Report.

15. 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.

16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of Loans, Guarantees, Securities and Investments made during the financial year ended 31st March, 2019 are given in the notes to the financial statements in compliance with the

provisions of section 186 of the Companies Act, 2013 read with the Companies (Meeting of the Board and its powers) Rules 2014.

17. 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 (Rupees Four Crores Thirty Two Lakhs Seventy One Thousand only) divided into 4,327,100 equity shares of Rs 10/- each.

18. MANAGEMENT DISCUSSION AND ANALYSIS

A detailed analysis of the Company's operations in terms of performance in markets, manufacturing activities, business outlook, risks and concerns forms part of the Management Discussion and Analysis, a separate section forms part of the Annual Report as **Annexure-V**

19. 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 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-



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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.

20. DIRECTORS AND KMP:

Sri Sreedhar Chowdhury

Managing Director

Sri S. Manohar Raju

Non-Executive Independent Director

Sri A. Subba Rao

Non-Executive Independent Director

Dr. B. Neeta Kumari

Non-Executive Director

Ms. D. Manoranjani

Company Secretary, Compliance Officer & CFO

21. NUMBER OF MEETINGS OF THE BOARD

During the financial year under review, 4 (Four) Board Meetings were held on 29th May 2018, 9th August, 2018, 12th November, 2018, 08th February, 2019 and 4 (Four) Audit Committee Meetings were convened and held on the same dates. 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.

22. CORPORATE GOVERNANCE

Maintaining high standards of Corporate Governance has been fundamental to the business of your Company since its inception. A separate report on Corporate Governance is provided together with a Certificate from the Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under Listing Regulations. A Certificate of the CEO and CFO of

the Company in terms of Listing Regulations, inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is also annexed. The extract of annual return in Form MGT-9 as required under Section 92(3) of the Companies Act and Rule 12 of the Companies (Management and Administration) Rules, 2014 is appended as an **Annexure-III** to this Annual Report.

23. 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 have 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.

24. POLICY ON SEXUAL HARASSMENT

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, 2019 the company has not received any Complaints pertaining to Sexual Harassment.

25. ADOPTION OF INDIAN ACCOUNTING STANDARDS ("IND AS")

The Company has adopted Indian Accounting Standards ("IND AS") and accordingly these financial statements have been prepared in accordance with the same as required under section 133 of the Companies Act, 2013 read with rules made thereunder.



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26. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

In terms of provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of the Regulations, a policy relating to remuneration for the Directors, Key Managerial Personnel and other employees has been adopted by the Board of Directors of the Company in pursuance of its formulation and recommendation by the Nomination and Remuneration Committee thereby analyzing the criteria for determining qualifications, positive attributes and independence of a Director.

27. REPORT ON FINANCIAL STATEMENTS

The report of M/s. K.S Rao & Co., Chartered Accountants, Regn. No. 003109S the Statutory Auditors of the Company on the financial statements of the Company for the year ended 31st March, 2019 is annexed to the financial statements in terms of provisions of Section 134(2) of the Companies Act, 2013. The observations of the Auditors in their report are self-explanatory and/or explained suitably in the Notes to the Financial Statements. The report of the Statutory Auditors does not contain any qualification, reservation or adverse remark which needs any explanation or comment of the Board.

28. COST AUDIT

During the year under review, the Company had not been mandatorily required to get its Cost Records audited in terms of provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014 notified by the Ministry of Corporate Affairs (MCA) on 31st December, 2014 as the Industry under which the Company falls has been exempted from the Cost Audit under the said rules.

29. RECONCILIATION OF SHARE CAPITAL AUDIT

As per the directive of the Securities and Exchange Board of India (SEBI), the Reconciliation of Share Capital Audit is undertaken by a firm of Practicing Company Secretaries on quarterly basis. The audit is aimed at reconciliation of total shares held in CDSL, NSDL and in physical form with the admitted, issued and listed capital of the Company.

The Reconciliation of Share Capital Audit Reports as submitted by the Auditor on quarterly basis were filed with the Bombay Stock Exchange of India Limited through BSE Listing Centre, where the original shares of the Company are listed.

30. LISTING OF SHARES

The Equity Shares of the Company are listed on the BSE Limited, Mumbai and Calcutta Stock Exchange. Company has applied for delisting of shares and the same is pending with Calcutta Stock Exchange for long time.

31. DISCLOSURES UNDER SECTION 134 OF THE COMPANIES ACT, 2013

Except as disclosed elsewhere in the Annual Report, there have been no material changes and commitments, which can affect the financial position of the Company between the end of financial year and the date of this report.

32. INDUSTRIAL RELATIONS

During the year under review, industrial relations in the Company continued to be cordial and peaceful.

33. CODE OF CONDUCT

This is to confirm that the Board has laid down a Code of Conduct for all Directors and Senior Management Personnel of the Company. It is further confirmed that all Directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year 2018-19.

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

Sd/-

SREEDHAR CHOWDHURY
MANAGING DIRECTOR
(DIN : 00188924)

Place: Hyderabad
Date : 29.05.2019



INCON ENGINEERS LIMITED

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

1. **CONSERVATION OF ENERGY** :
 - (i) Energy Conservation measures : Nil
 - (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 are as in which R&D is carried out : NA
By the Company
2. Benefits derived as are 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 out go:

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

Place : Hyderabad
Date : 29.05.2019

Sd/-
Sreedhar Chowdhury
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:

Nature of the related party	Nature of Relationship	Duration of the contract	Sailent Terms	Date of Approval by the Board	Amount in Rs.	Amount Paid as aAdvance if any
Interested Director	Common Promoter	3 years	Rent payable to the Company by M/s.Oxeeco Technologies Pvt Ltd. Rs.88,600/- with a provision of increase of 10% on Annual Basis Service contract or arrangements with M/s. Oxeeco Technologies Pvt. Ltd with respect to the supply of manpower for design, fabrication, erection and commissioning of the various chemical process equipment	29-05-2018 29-05-2019	Rs.88,600/- for a period of 12 Months & subsequently with an increase of 10% Annual Basis for the remaining tenure of Contract. Rs.75 Lakhs for a period of 3 years	NIL However Company has received an amount of Rs.1,80,000/- interest free refundable deposit

Place: Hyderabad
Date : May 29, 2019

For INCON ENGINEERS LTD

Sreedhar Chowdhury
Managing Director



INCON ENGINEERS LIMITED

ANNEXURE-III

EXTRACT OF ANNUAL RETURN FORM MGT 9

As on Financial Year ended on 31.03.2019

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

I. REGISTRATION & OTHER DETAILS:			
i	CIN	:	L74210TG1970PLC001319
ii	Registration Date	:	13.02.1970
iii	Name of the Company	:	INCON ENGINEERS LIMITED.
iv	Category/Sub-category of the Company	:	Public Limited
v	Address of the Registered office & Contact 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 Name of Contact Person : ESK. Prasad 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	100 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - NIL



INCON ENGINEERS LIMITED

III. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category -wise Share Holding

Category of Shareholders		No. of Share Held at the beginning of the year 01.04.2018				No. of Share Held at end of the year 31.03.2019				% Change during the year
Category code	Category of Share Holders	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	PROMOTER									
1	INDIAN	2482534	38200	2520734	58.25	2482534	38200	2520734	58.25	-
(a)	Individual/HUF	0	0	0	0	0	0	0	0	-
(b)	Central Govt/state Govt	0	0	0	0	0	0	0	0	-
(c)	Bodies Corporate	350000	0	350000	8.09	350000	0	350000	8.09	-
(d)	Financial Institutions/Banks	0	0	0	0	0	0	0	0	-
(e)	Others (specify)	0	0	0	0	0	0	0	0	-
	Sub-Total A(1)	2832534	38200	2870734	66.34	2832534	38200	2870734	66.34	-
2	FOREIGN									
(a)	Individuals/NRI /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)	Others (specify)	0	0	0	0	0	0	0	0	-
	Sub-Total A(2)	0	0	0	0	0	0	0	0	-
	Total Shareholding of promoter and promoter									
	Group(A)=(A)(1)+(A)(2)	2832534	38200	2870734	66.34	2832534	38200	2870734	66.34	-



INCON ENGINEERS LIMITED

PUBLIC SHARE HOLDING											
1 INSTITUTIONS											
(a) Mutual funds/UTI	0	600	600	0.01	0	600	600	0.01	0	600	-
(b) Financial Institutions/Banks	0	0	0	0	0	0	0	0	0	0	-
(c) Central Govt/State Govts	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) Others (specify)	0	0	0	0	0	0	0	0	0	0	-
Sub-Total B(1)	0	600	600	0.01	0	600	600	0.01	0	600	0
B2 NON-INSTITUTIONS											
(a) Bodies Corporate	38208	100	38308	0.89	36368	100	36468	0.84	0.05		
(b) Individuals											
(i) Individuals share holding nominal share capital up to Rs.2 Lakh	666465	234900	901365	20.83	672805	232400	905205	20.80	0.03		
(ii) Individuals share holding nominal share capital in excess of Rs.2 Lakh	260752	22673	283425	6.54	260752	22673	283425	6.5	0.04		
(c) Qualified Foreign Investor Others (specify)	3277	0	3277	0.08	1277	0	1277	0.22	-0.14		
(c-i) Clearing Members	0	200000	200000	4.62	0	200000	200000	4.6	0.02		
(c-ii) Corporate OCB	22391	7000	29391	0.69	22391	7000	29391	0.69	0.00		
(c-iii) Non Resident Individuals											
Sub-Total B(2)	991093	464673	1455766	33.65	993593	462173	1455766	33.65	0		
Total Public Share holding (B)=B(1)+B(2)	991093	465273	1456366	33.66	993593	462773	1456366	33.66	0		
Total (A+B)	3823627	503473	4327100	100	3826127	500973	4327100	100	0		
(C) Share held by Custodians and against which Depository Receipts have been issued to Promoter and Promoter Group Public	0	0	0	0	0	0	0	0	0	0	0
Sub-Total C	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL(A)+(B)+(C)	3823627	503473	4327100	100	3826127	500973	4327100	100	0		



INCON ENGINEERS LIMITED

(ii) SHARE HOLDING OF PROMOTERS

Shareholding at the beginning of the year 01-04-2018		Shareholding at the end of the year 31-03-2019						
S.No	Share Holders Name	No.of Shares	%of the Shares of the company	%of Shares Pledged/ encumbered to total shares	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	2057079	47.54	0	0
2	Renuka Chowdhury	214594	4.96	0	214594	4.96	0	0
3	Oxeeco Meditek Pvt Ltd	200000	4.62	0	200000	4.62	0	0
4	Fusion Chemicals & Products Pvt. Ltd	150000	3.47	0	150000	3.47	0	0
5	Poojita Chowdhury	101506	2.35	0	101506	2.35	0	0
6	Tejuswini Chowdhury	64000	1.48	0	64000	1.48	0	0
7	G.Vijayeswari	38200	0.88	0	38200	0.88	0	0
8	Jayadev Chowdhury G	30804	0.71	0	30804	0.71	0	0
9	Prabha Sukmar Koneru	14551	0.34	0	14551	0.34	0	0
		2870734	66.35		2870734	66.35	0	0
(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) SHARE HOLDING PATTERN OF TOP TEN SHARE HOLDERS(Other than Directors, Promoters and Holders of GDRs ADRs) :

For the Top 10 Share Holders		Share holding at the beginning of the year 01.04.2018		Cumulative Share Holding at the end of the year 31.03.2019	
Sl. No.	Share Holders Name	No.of Shares	% of total shares of the company	No.of Shares	% of total shares of the company
1	MAHENDRA GIRDHARILAL	84165	1.95	84165	1.95
2	MURTAZA JAFFERALI SEVWALA	38678	0.89	38678	0.89
3	"DEEPAK HARI BHAI GAUDANI "RASILABEN DEEPAKBHAI GAUDANI"	33906	0.78	33906	0.78
4	JAYESH BABULAL SHAH	20403	0.47	24304	0.47
5	REETA MAHENDRA MEHTA	31000	0.72	31000	0.72
6	LAKSHMI S NARAYANA	22673	0.52	22673	0.52
7	"HAFIZAA NATHANI" AKHTAR S NATHANI"	20000	0.46	19508	0.45
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 :

		Shareholding at the beginning of the year 01.04.2018		Cumulative Share Holding at the end of the year 31.03.2019	
Sl. No.	Shareholding of each Director and Key managerial Personnel	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
TOTAL		2119779	48.99	2119779	48.99



INCON ENGINEERS LIMITED

V INDEBTENDNESS

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

Sl. No.	Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	un secured Loans	Deposits	Total Indebtendness
i	Principal Amount	-	-	-	-
ii	Interest due but not paid	-	-	-	-
iii	Interest accrued nut but due	-	-	-	-
	Total(i+ii+iii)	-	-	-	-
	Change in indebtedness during the financial year				
	□ Additions	-	-	-	-
	□ Reduction	-	-	-	-
	NET CHANGE	-	-	-	-
	Indebtedness at the end of the financial year	-	-	-	-
i	Principal Amount	-	-	-	-
ii	Interest due but not paid	-	-	-	-
iii	Interest accrued nut notdue	-	-	-	-
	Total(i+ii+iii)	-	-	-	-

VI REMUNERATION TO DIRECTORS AND KEY MANEGERICAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD	Total Amount in Rs.
1	Gross Salary		
	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	-	-
	c) Profits in lieu of salary under section 17(3) Income Tax Act,1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission as % of profit	-	-
5	Others please specify	-	-
	Ceiling as per the Act	-	-
	Total	-	-



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 / Committe meetings commission Others, please specify	- - -	- - -	- - -	- - -
	Total (1)	-	-	-	-
2	Other Non-Executive Directors Fee for attending board / Committe meetings commission Others, please specify	- - -	- - -	- - -	- - -
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-

overall Ceiling as per the Act.

* sitting fee paid to Non-Executive Director does not from part of the ToTal Manegiral Remuneration

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 a) Salary as per provision contained in section 17(1) of the Income Tax Act, 1961	-	600000	-	600000
	b) Value of perquisites u/s17(2) Income Tax Act, 1961	-	-	-	-
	c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as % of profit	-	-	-	-
5	Others (Bonus) Others please specify	-	-	-	-
	TOTAL	-	600000	-	600000



INCON ENGINEERS LIMITED

VII. PENALITIES / 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
A COMPANY				
Penalty Punishment Compounding	-	-	-	-
B DIRECTORS				
Penalty Punishment Compounding	-	-	-	-
C OTHER OFFICERS IN DEFAULT				
Penalty Punishment Compounding	-	-	-	-



INCON ENGINEERS LIMITED

ANNEXURE - IV

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules 2014]

To,
The Members,
Incon Engineers Limited
B-6/3, IDA Uppal,
Hyderabad - 500 039.

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of Secretarial Audit, I hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019, (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019, 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 by the Company during the period under review;
- (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;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015:



INCON ENGINEERS LIMITED

- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and 2018 (not applicable to the company during the audit period). 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.
- d. 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 regulations have not been considered for the purpose of this report.
- e. The Securities and Exchange Board of India (Issue and Listing of Debtsecurities) Regulations, 2008 (Not Applicable to the Company during the Audit Period)
- f. 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.
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. (Not Applicable to the Company during the Audit Period)
- h. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 and 2018. 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; and
- i. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- i. Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial auditor, tax auditor and other designated professionals.

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. The changes in the composition of the Board of Directors and Independent Directors. The changes



INCON ENGINEERS LIMITED

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.

Adequate notice is given to all directors to schedule the Board Meeting, agenda and detailed notes on agenda were sent at seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that based on the review of the compliance reports/certificates which were taken on record by the Board of Directors, here 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.

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.

We further report that the Company has not complied with the compliance requirements of Calcutta Stock Exchange during the period under review.

For SHARAD GUPTA & CO
Company Secretaries

Place : Hyderabad
Date : 29.05.2019

(Sharad Gupta)
ACS:5499 CP: 1464



INCON ENGINEERS LIMITED

ANNEXURE TO THE SECRETARIAL AUDIT REPORT

To,
The Members,
Incon Engineers Limited
B-6/3, IDA Uppal,
Hyderabad - 500 039.

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

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

For SHARAD GUPTA & CO
Company Secretaries

Place : Hyderabad
Date : 29.05.2019

(Sharad Gupta)
ACS:5499 CP: 1464

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****a) Structure and Developments, Opportunities and Threats, Performance, Outlook, Risks and Concerns:**

Over the years, the Company has developed considerable design capability to manufacture sophisticated Fluid Energy Mills incorporating modern Instrumentation and Controls. The Company therefore enjoys a good reputation with customers requiring these sophisticated machines.

However, there is an extensive market for these mills with the Bulk Drug, Pesticides, Minerals and Chemicals industries, which require less sophisticated and economical machines. The Company will be making special thrust to design suitable mills to exploit these markets.

b) Internal Control Systems and their Adequacy

The Company has adequate internal control systems and procedures in all operational areas and at all levels such as manufacturing, procurement, finance, administration, marketing and HR 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: (Rs. in Lakhs)

Particulars	2018 - 19	2017 - 18
Total Income	61.93	97.59
Total Expenditure	74.07	92.34
Profit before Tax	(12.14)	5.24
Add : Provision for taxation	0.55	-
Net Profit/(Loss) after Tax	(12.69)	5.24

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 assistance to improve their skills.

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



INCON ENGINEERS LIMITED

CORPORATE GOVERNANCE CORPORATE GOVERNANCE PHILOSOPHY

Incon Engineers Limited Maintaining high standards of Corporate Governance has been fundamental to the business of your Company since its inception. A separate report on Corporate Governance is provided together with a Certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Listing Regulations. A Certificate of the CEO and CFO of the Company in terms of Listing Regulations, inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is also annexed.

The extract of annual return in Form MGT-9 as required under Section 92(3) of the Companies Act and Rule 12 of the Companies(Management and Administration) Rules, 2014 is appended as an Annexure to this Annual Report.

BOARD OF DIRECTORS:

The Board of Directors ('the Board') have ultimate responsibility for the management, general affairs Direction, performance and long-term success of business as a whole. The Board has delegated the operational conduct of the business to the Managing Director of the Company. The Management Committee of the Company is headed by the Managing Director and has heads as its members, which look after the management of the day-to-day affairs of the Company.

COMPOSITION:

The Board of your Company has a good mix of Executive and Non-Executive Directors with half of the Board of the Company comprising Independent Directors. As on date of this Report, the Board consists of Four Directors comprising of the Managing Director, Two Non-Executive independent directors and one Non-Executive women Director. The composition of the Board represents an optimal mix of professionalism, knowledge, experience and enables the Board to discharge its responsibilities and provide effective leadership to the business. The Board as part of its succession planning exercise, periodically reviews its composition to ensure that the same is closely aligned with the strategy and long-term needs of the Company.

Sri Sreedhar Chowdhury, appointed as Managing Director(DIN 00188924) of the company on 17.09.2016 will hold office for a period of Five Years, i.e. upto 17.09.2021

Sri.S.Manohar Raju appointed as independent director of the company on 30.09.2014 will hold office upto a term of Five years i.e upto ensuing AGM.

Sri.ASubba Rao appointed as independent director of the company on 30.09.2014 will hold office upto a term of Five years i.e upto ensuing AGM.

Dr.B.NeetaKumari (DIN00313522) who retires by rotation and being eligible offers herself for re-appointment



INCON ENGINEERS LIMITED

Composition and Directorship(s)/Committee Membership(s)/Chairmanship(s) as on 31st March, 2019

Name	Number of Shares held in the Company	Directorship(s) In other Companies	Membership(s) of Committees in other Companies	Chairmanship(s) of Committees in other Companies
Sri Sreedhar Chowdhury	2057079	8	-	-
Sri A Subba Rao	10100	1	-	-
Sri S Manohar Raju	52600	2	-	-
Dr. B. NeetaKumari	-	-	-	-

Number of meetings of the Board: The Board met 4 times during the financial year. The meeting details are provided in the Corporate governance report that forms part of this Annual Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013'Policy on directors' appointment and remuneration :

The current policy is to have an appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As of 31st March, 2019, the Board has 4 members, one of them are executive or whole-time directors, Two non-executive Independent Directors and one non-executive, non- Independent Women Director.

The policy of the Company on directors 'appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters. There has been no change in the policy since last fiscal. We affirm that the remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

Declaration by independent directors:

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the Listing Regulations.

BOARD EVALUATION:

The evaluation of all the directors, committees, Chairman of the Board, and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The evaluation parameters and the process have been explained in the Corporate governance report.



COMMITTEES OF THE BOARD :

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas /activities as mandated by applicable regulation; which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board, as a part of good governance practice. The Chairman of the respective Committees informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the meetings of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate. The Board has established the following statutory and non-statutory Committees: -

AUDIT COMMITTEE

The Company's Audit Committee comprises Mr. S.Manohar Raju as the Chairman and Mr.A.Subba Rao,Dr.B.NeetaKumari are Members of the Committee.All the Members of the Committee have relevant experience in financial matters.The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and inter alia, performs the following functions:-

INTERNAL CONTROLS AND ITS ADEQUACY

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of fraud, error reporting, mechanisms, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures.

M/s.G.P.Associates acts as an Internal Auditor of the Company.

SIGNIFICANT AND MATERIAL ORDERS:

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.

NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee comprises Mr.A.Subba Rao as the Chairman and Mr. S.Manohar Raju and Dr.B.NeetaKumari as Members of the Committee.The Nomination and Remuneration Committee is responsible for evaluating the balance of skills, experience, independence, diversity and knowledge on the Board and for drawing up selection criteria, ongoing succession planning and appointment procedures for both internal and external appointments. The role of Nomination and Remuneration Committee, inter alia, includes: -

- Determine / recommend the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
- Determine / recommend the criteria for qualifications, positive attributes and independence of Director;
- Review and determine all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonuses, stock options, pension etc.;
- Formulate criteria and carry out evaluation of each Director's performance and performance of the Board as a whole.



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Details of Remuneration to the Executive and Non-Executive Directors:

Name	Salary and Allowances	Bonus	Perquisites	Contribution to PF	Pension	TOTAL
Sri Sreedhar Chowdhury	-	-	-	-	-	-
Sri A Subba Rao	-	-	-	-	-	-
Sri S Manohar Raju	-	-	-	-	-	-
Dr. B. NeetaKumari	-	-	-	-	-	-

CORPORATE SOCIAL RESPONSIBILITY:

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.

STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders' Relationship Committee comprises of Sri. Sreedhar Chowdhury as the Chairman and Sri S Manohar Raju, Sri A Subba Rao as Members of the Committee.

The role of Stakeholders Relationship Committee includes resolving the grievances of Members, ensuring expeditious share transfer process in line with the proceedings of the Share Transfer Committee, evaluating performances and service standards of the Registrar and Share Transfer Agent of the Company.

During the financial year ended 31st March 2019, the Committee met four times 29.05.2018, 09.08.2018, 12.11.2018, 08.02.2019.

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.

ATTENDANCE OF DIRECTORS/MEMBERS AT BOARD AND COMMITTEE MEETING(S):

The following table shows attendance of Directors at the Board and Members of the statutory Committee Meeting(s) for the year ended 31st March, 2019. Attendance is presented as number of meeting(s) attended, out of the number of meeting(s) required to be attended.



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Name	Board Meeting	Audit Committee Meeting	Nomination and Remuneration Committee Meeting	Stakeholders' Relationship Committee Meeting
Sri Sreedhar Chowdhury	3 of 4	-	-	1 of 1
Sri A Subba Rao	4 of 4	4 of 4	-	1 of 1
Sri S Manohar Raju	2 of 4	2 of 4	-	1 of 1
Dr. B. NeetaKumari	4 of 4	4 of 4	-	1 of 1

SUBSIDIARIES :

Your company does not have subsidiaries

Audit qualifications: Company's financial statement are unqualified

Reporting of Internal Auditors: The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.

Secretarial Audit Report :

The Company has undertaken Secretarial Audit for the financial year 2018-19 which, inter alia includes audit of compliance with the Companies Act, 2013, and the Rules made under the Act Listing Regulations and applicable Regulations prescribed by SEBI and Foreign Exchange Management Act, 1999 and Secretarial Standards issued by the Institute of the Company Secretaries of India. The Secretarial Audit Report forms part of this Annual Report.

SHAREHOLDER INFORMATION

General Body Meetings

Financial year ended	Date and Time	Venue
31st March, 2016	30.09.2016 10.00a.m	B-6/3, IDA, Uppal
31st March, 2017	29.09.2017 10.00 a.m	Same as above
31st March, 2018	28.09.2018 10.00a.m	Same as above



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Annual General Meeting for the financial year 2018-19

Date	30.09.2019
Venue	B-6/3, IDA, Uppal
Time	9.30
Book Closure Dates	25.09.2019 - 30.09.2019

Calendar of financial year ended 31st March, 2019

The Company follows April-March as the financial year. The meetings of Board of Directors for approval of quarterly financial results during the financial year ended 31st March, 2018 were held on the following dates:

First Quarter Results	29.05.2018
Second Quarter and Half Yearly Results	09.08.2018
Third Quarter Results	12.11.2018
Fourth Quarter and Annual Results	08.02.2019

Distribution of Shareholding as on 31st March, 2019

Holding	Shareholders		Shares	
	Number	%	Number	%
1-500	709	65.17	146718	3.39
5001-1000	193	7.74	176134	4.07
1001-2000	76	6.99	118921	2.75
2001-3000	30	2.76	76654	1.77
3001-4000	16	1.47	58252	1.35
4001-5000	19	1.75	90960	2.1
5001-10000	16	1.47	117572	2.72
100001 and above	29	2.67	3541889	81.85
Total	1088	100	4327100	100



INCON ENGINEERS LIMITED

Categories of Shareholders as on 31st March, 2019

Category	No of Share holders	%
Promoters	9	66.34
Mutual Funds	1	0.01
Foreign Bodies Corporate	1	4.62
Individuals	1046	27.47
Bodies Corporate	21	0.85
Clearing Members	4	0.03
NRIs	5	0.68
Total	1087	100

Listing Details

Name and Address of Stock Exchange	Stock Code
BSE Limited (BSE) Floor 25, PhirozeJeejeebhoy Towers, Dalal Street, Mumbai - 400001	531594
ISIN	INE507D01010

Share Price Data

The shares of the Company are thinly traded. The 52nd week high and low on BSE was Rs.6.5 and Rs.6.18.

M/s Venture Capital and Corporate Investments Pvt.Ltd



INCON ENGINEERS LIMITED

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER(CFO)CERTIFICATION

To
The Board of Directors,
Incon Engineers Limited

We, the undersigned in our respective capacities as Chief Executive Officer and Chief Financial Officer of Incon Engineers Limited ('The Company'), to the best of our knowledge and belief certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the financial year ended 31st March, 2019 and to the best of our knowledge and belief, we state that:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct
- (c) We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company
- (d) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken to propose to take to rectify these deficiencies
- (e) We have indicated, based on our most recent evaluation, whenever applicable, to the Auditors and Audit Committee:
 - (i) Significant changes, if any, in the internal control over financial reporting during the year
 - (ii) Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements: and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

For INCON ENGINEERS LTD

Place: Hyderabad
Date : May 29, 2019

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

Sd/-
D. Manoranjani
C.F.O.



INCON ENGINEERS LIMITED

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, 2018 to March 31, 2019. 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.

Place: Hyderabad
Date: 29.05.2019

For Sharad Gupta & Company

SHARAD GUPTA
Practicing Company Secretary
Membership No. A5499:CP1464



INCON ENGINEERS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INCON ENGINEERS LIMITED, HYDERABAD

Report on the Ind AS Financial Statements:

Opinion

We have audited the financial statements of **INCON ENGINEERS LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2019, the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (Ind AS), of the state of affairs of the Company as at March 31, 2019, its profit, the total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key Audit Matters ('KAM') are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

KAM Title

Valuation of Deferred Tax Assets

KAM Description

The company has not recognised deferred tax asset for deductible temporary differences and unused tax losses. As, the utilisation of deferred tax assets, is in part, dependent on the company's ability to generate future taxable profits sufficient to utilize deductible temporary differences and tax losses before they expire. We determined this to be a key audit matter due to the inherent limitations in estimation and uncertainty in forecasting the amount and timing of future taxable profits and the reversal of temporary differences and utilization of tax losses.

Management has supported the non-recoverability of the deferred tax assets mainly with taxable income projections which contain estimates of and tax strategies for future taxable income. Changes in the industrial scenario, the business and its markets and changes in regulations may impact these projections.



Our Response

Our audit procedures included, among others, evaluating the future estimated business projections and projected tax computations prepared by the company to assess the recognition and measurement of the current and deferred tax assets and liabilities and evaluate the compliance with the tax legislation. We paid attention to the long-term forecasts and critically assessed the assumptions and judgments underlying these forecasts by considering the historical accuracy of forecasts and the sensitivities of the profit forecasts. We assessed the adequacy and the level of estimation involved.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the company's annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate,



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they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (g) As the Company did not pay, during the year, any remuneration to its Directors, other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended are not applicable to the company.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 20 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.

for K.S. Rao & Co.,
Chartered Accountants
Firms' Registration Number: 003109S

(T. SUKESH KUMAR)

Partner

Place : Hyderabad

Date : 29.05.2019

Membership Number: 229963



ANNEXURE -A TO THE AUDITOR'S REPORT:

The Annexure referred to in Para 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date, to the members of INCON ENGINEERS LIMITED, HYDERABAD, for the year ended March 31, 2019.

1.
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. As explained to us, the management has physically verified the fixed assets during the year and there is a regular programme of physical 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 and the procedures of physical verification of inventories followed by the management are reasonable. The discrepancies noticed on physical verification between the physical stocks and book records were not material.
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 para (a) above, Clause (III) (a), (b) and (c) of paragraph 3 of the Companies (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 sections 185 and 186 of the Act. Therefore, the provisions of paragraph 3(iv) of the Companies (Auditor's Report) Order 2016 are not applicable to the Company.
5. The Company has not accepted any deposits from the public. Hence the provisions of Sections 73 to 76 or 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, sales-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, 2019 for a period of more than six months from the date they became payable.
 - b. According to the records of the Company and the information and explanations given to us, there were no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute.



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8. As the Company has no borrowings, the provisions 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 offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of paragraph 3 (ix) of the Companies (Auditor's Report) Order 2016 are not applicable.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees 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. Therefore, the provisions of Paragraph 3(xi) of the 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, the provisions of paragraph 3(xii) of the Companies (Auditor's Report) Order 2016 are not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
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. Accordingly, the provisions of paragraph 3(xv) of the Companies (Auditor's Report) Order 2016 are not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for K.S. Rao & Co.,
Chartered Accountants
Firms' Registration Number: 003109S

(T. SUKESH KUMAR)

Partner

Membership Number: 229963

Place : Hyderabad

Date : 29.05.2019



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 with reference to the financial statements of INCON ENGINEERS LIMITED, HYDERABAD ("the Company") as of 31 March 2019 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 with reference to the financial statements 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 with reference to the financial statements 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 plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the financial statements 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 with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of internal financial controls with reference to the financial statements, 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 with Reference to the Financial Statements

A company's internal financial control with reference to the financial statements 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 with reference to the financial statements 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 with Reference to the Financial Statements

Because of the inherent limitations of internal financial controls with reference to the financial statements, 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 with reference to the financial statements to future periods are subject to the risk that the internal financial control with reference to the financial statements 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 with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at 31 March 2019, based on the internal control with reference to the financial statements 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 K.S. Rao & Co.,
Chartered Accountants
Firms' Registration Number: 003109S

(T. SUKESH KUMAR)
Partner
Membership Number: 229963

Place : Hyderabad
Date : 29.05.2019



INCON ENGINEERS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2019

Amount in Rs.

PARTICULARS	NOTES No.	As at 31.03.2019	As at 31.03.2018
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	4	5,682,622	5,920,966
(b) Intangible assets	5	-	-
(c) Financial Assets			
Other financial assets	6	116,223	116,223
(d) Deferred Tax Asset (net)	7	-	-
		<u>5,798,845</u>	<u>6,037,189</u>
CURRENT ASSETS			
(a) Inventories	8	124,566	84,340
(b) Financial Assets			
(i) Trade receivables	9	3,450.00	-
(ii) Cash and cash equivalents	10	462,021	1,787,977
(iii) Others financial assets	11	719,645	202,913
(c) Current Tax Assets (Net)		299,389	253,694
(d) Other Current Assets	12	59,234	262,447
		<u>1,668,305</u>	<u>2,591,371</u>
Total Assets		<u>7,467,150</u>	<u>8,628,560</u>
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	13	57,137,500	57,137,500
(b) Other Equity	14	(54,010,484)	(52,674,877)
		<u>3,127,016</u>	<u>4,462,623</u>
Liabilities			
Non - current liabilities			
Provisions	15	258,754	390,784
		<u>258,754</u>	<u>390,784</u>
Current liabilities			
(a) Financial Liabilities			
(i) Trade payables	16	301,467	199,733
(ii) Other financial liabilities	17	2,351,906	421,215
(b) Other current liabilities	18	607,162	2,189,324
(c) Provisions	19	820,845	964,881
		<u>4,081,380</u>	<u>3,775,153</u>
Contingent Liabilities and Commitments	20		
Total Equity and Liabilities		<u>7,467,150</u>	<u>8,628,560</u>
NOTES TO THE FINANCIAL STATEMENTS	1 - 40		

Per our report of even date
For K.S.Rao & Co
Chartered Accountants
Firm Registration No.003109S

For and on Behalf of the Board

T. Sukesh Kumar
Partner
Membership No.229963
Place: Hyderabad
Date : 29.05.2019

SREEDHAR CHOWDHURY
Managing Director

S. MANOHAR RAJU
Director

CFO & Secretary



INCON ENGINEERS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2019 Amount in Rs.

Particulars	NOTES No.	31.03.2019 Rs.	31.03.2018 Rs.
Revenue from Operations			
Sale of Products			
Fluid Energy Mills		3,300,000	6,923,040
FEM spares		1,738,803	1,889,941
Other Income	21	1,154,921	946,191
Total Income		<u>6,193,724</u>	<u>9,759,172</u>
EXPENSES			
Cost of Materials Consumed	22	1,361,266	2,214,140
Change in inventories of finished goods and work in progress	23	(117,586)	636,186
Employee Benefits Expense	24	3,008,418	3,027,453
Finance costs	25	6,666	12,838
Depreciation and amortisation expense	26	245,062	278,909
Other expenses	27	2,904,056	3,065,285
Total expenses		<u>7,407,882</u>	<u>9,234,811</u>
Profit before tax		<u>(1,214,158)</u>	<u>524,361</u>
Tax Expenses:			
Income Tax - Earlier Years		55,784	-
Deferred Tax		-	-
		<u>55,784</u>	<u>-</u>
Profit for the Year		<u>(1,269,942)</u>	<u>524,361</u>
Other Comprehensive income	28		
(i) Items that will not be reclassified subsequently to profit or loss (Loss)		(65,665)	(175,835)
"(ii) Income tax relating to items that will not be reclassified to profit or loss"		-	-
Other Comprehensive Income for the Year		<u>(65,665)</u>	<u>(175,835)</u>
Total Comprehensive Income for The Year		<u>(1,335,607)</u>	<u>348,526</u>
Earnings per equity share from Continuing operations :	29		
Basic and Diluted		(0.31)	0.08

NOTES TO THE FINANCIAL STATEMENTS 1- 40

Per our report of even date

For K.S. Rao & Co

Chartered Accountants

Firm Registration No.003109S

For and on Behalf of the Board

T. Sukesh Kumar

Partner

Membership No.229963

SREEDHAR CHOWDHURY

Managing Director

S. MANOHAR RAJU

Director

Place: Hyderabad

Date : 29.05.2019

CFO & Secretary



INCON ENGINEERS LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2019

Amount in Rs.

Particulars	31.03.2019 Rs.	31.03.2018 Rs.
I. Cash flow from operating activities:		
Profit before tax	(1,214,158)	524,361
Add: Other Comprehensive Income before Tax	(65,665)	(175,835)
	(1,279,823)	348,526
Adjustment for non-cash transactions:		
Depreciation and amortization expenses	245,062	278,909
Deferred Rental Income	(6,183)	(12,372)
Excess Provisions written back	(120,000)	(1,125)
Inventory Written Off	-	104,629
Provisions made during the year:		
Slow Moving Inventory	81,292	-
Warranties	165,000	120,000
	(914,652)	838,567
Adjustment for investing and financing activities:		
Interest Income:		
From bank deposits and others	(10,043)	(6,517)
Interest on rental Deposit (finance cost)	6,666	12,838
	(3,377)	6,321
Adjustment for changes in working capital:		
Decrease / (increase) in inventories	(121,518)	642,464
Decrease / (increase) in trade receivables	(3,450)	-
Decrease / (increase) in other current financial assets	(510,066)	(61,098)
Decrease / (increase) in other non current financial assets	-	-
Decrease / (increase) in other current assets	203,213	(202,204)
(Decrease) / Increase in trade payables	221,734	(64,617)
(Decrease) / Increase in other current financial liabilities	1,924,025	(1,439,719)
(Decrease) / Increase in other non-current financial liabilities	-	(173,332)
(Decrease) / Increase in other current liabilities	(1,575,979)	1,752,753
(Decrease) / Increase in other non-current liabilities	-	6,187
(Decrease) / Increase in long term provisions	(132,030)	(309,683)
(Decrease) / Increase in short term provisions	(309,036)	227,509
	(303,107)	378,260
Cash generated from operations	(1,221,136)	1,223,148
Less: Direct taxes paid (net of refunds)	(101,479)	8,130
Net cash flow from operating activities (I)	(1,322,615)	1,231,278
II. Cash flows from investing activities		
Purchase of fixed assets, including CWIP	(6,718)	(34,000)
Interest Income received	3,377	6,345
Net cash flow from/ (used in) investing activities (II)	(3,341)	(27,655)



INCON ENGINEERS LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2019 Amount in Rs.

Particulars	31.03.2019 Rs.	31.03.2018 Rs.
III. Cash flows from financing activities	-	-
IV. Net (decrease)/increase in cash and cash equivalents (I + II + III)	(1,325,956)	1,203,623
Cash and cash equivalents at the beginning of the year	1,787,977	584,354
V. Cash and cash equivalents at the end of the year	462,021	1,787,977
VI. Components of cash and cash equivalents:		
Cash on hand	4,391	36,624
With banks:		
On Current Account	391,605	1,751,353
On Deposit Account	66,025	-
Total cash and cash equivalents (Note no 10)	462,021	1,787,977

Per our report of even date
For K.S. Rao & Co
Chartered Accountants
Firm Registration No.003109S

For and on Behalf of the Board

T. Sukesh Kumar
Partner
Membership No.229963
Place: Hyderabad
Date : 29.05.2019

SREEDHAR CHOWDHURY
Managing Director

S. MANOHAR RAJU
Director

CFO & Secretary



INCON ENGINEERS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

A. EQUITY SHARE CAPITAL		Amount in Rs.	
Particulars	31.03.2019 Rs.	31.03.2018 Rs.	
i. At the beginning of the year	57,137,500	57,137,500	
ii. Changes during the year	-	-	
iii. At the end of the year	57,137,500	57,137,500	
B. OTHER EQUITY		Amount in Rs	
Particulars	Capital Reserve	Revaluation Reserve	Surplus in Statement of profit and loss
I. Balance as at April 01, 2018	157,259	1,414	(52,904,013)
Profit for the year	-	-	(1,269,942)
Other Comprehensive income for the year	-	-	-
II. Balance as at March 31, 2019	157,259	1,414	(54,173,955)
			70,463
			(52,674,877)
			(1,269,942)
			(65,665)
			(65,665)
			(54,010,484)

Per our report of even date
For K.S. Rao & Co
Chartered Accountants
Firm Registration No.003109S

T. Suresh Kumar
Partner
Membership No.229963
Place: Hyderabad
Date : 29.05.2019

For and on Behalf of the Board

SREEDHAR CHOWDHURY
Managing Director

S.MANOHAR RAJU
Director

CFO & Secretary



1. Corporate information:

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.

These financial statements were approved by the Board of Directors and authorised for Issuance in their meeting held on May 29, 2019.

2. Basis of Preparation:

These statements are prepared complying in all material respects with the notified Accounting Standards by the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and the relevant provisions of the Companies Act, 2013 and in accordance with the generally accepted accounting principles in India.

The financial statements have been prepared on historical cost basis, except for financial instruments which have been measured at fair value at the end of each reporting period, as required by relevant Ind AS and as explained in the accounting policies mentioned below.

3. Significant Accounting policies:

a) Significant accounting estimates, assumptions and judgements:

The preparation of Company's financial statements requires management to make accounting estimates, assumptions and judgements that effect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures of contingencies at the end of the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities in future periods.

Estimates and Assumptions:

The key assumptions concerning the future and other key sources of estimation of uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The assumptions and estimates made by the company are based on parameters available/prevailing when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. Impairment of non-current assets:

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal is calculated based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow ("DCF") model. The value in use is sensitive to the



INCON ENGINEERS LIMITED

discount rate (generally weighted average cost of capital) used for the DCF model as well as the expected future cash-inflows and the growth rate used for exploration purposes.

ii. Defined Benefit Plans:

The present value of the gratuity obligation is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, rate of increment in salaries and mortality rates. Due to complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All the assumptions are reviewed at each reporting date.

iii. Fair Value measurement of financial instruments:

When the fair values of financial assets and financial liabilities on reporting date cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques i.e., the DCF model. The inputs to these models are taken from observable markets.

iv. Contingencies:

Management judgement is required for estimating the possible inflow/outflow of resources, if any, in respect of contingencies/claims/litigations against the company/by the company as it is not possible to predict the outcome of pending matters with accuracy.

v. Property, Plant and Equipment:

Based on evaluations done by technical assessment team, the management has adopted the useful life and residual value of its Property, Plant and Equipment. Management believes that the assigned useful lives and residual value are reasonable.

vi. Intangible Assets:

Internal technical or user team assess the useful lives of Intangible assets. Management believes that assigned useful lives are reasonable.

vii. Income Taxes:

Management judgment is required for the calculation of provision for income taxes and deferred tax assets/liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets/liabilities. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

viii. Life Time Expected Credit Loss on Trade Receivables and Other Receivables:

Trade Receivables and Other Receivables do not carry any interest and are stated at their transaction value as reduced by life time expected credit losses ("LTECL"). Management has evaluated LTECL for different class of its debtors as follows:

Particulars	Up to 365 Days	365-730 Days	730-1095 Days	1095-1460 Days	Beyond 1460 Days
Expected loss Rate (%)	0.00	50.00	75.00	100.00	Write off



b) Current Vs Non-current classifications

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it satisfies any of the following criteria:

- i. Expected to be realised or intended to be sold or consumed in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Expected to be realised within twelve months after the reporting period, or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current assets.

A liability is classified as current when it satisfies any of the following criteria:

- i. Expected to settle the liability in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. However, a period of 12 months is considered as ultimate operating cycle.

c) Property, Plant and Equipment:

Property, Plant and Equipment are stated at cost net of input credits, less accumulated depreciation 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 property, plant and equipment 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.

The company adopted cost model as its accounting policy in recognition of the property, Plant and Equipment and recognises the transaction value as the cost.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Capital work in progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date.

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated



INCON ENGINEERS LIMITED

as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the Statement of Profit and Loss. Property, Plant and Equipment which are found to be not usable or retired from active use or when no further benefits are expected from their use are removed from the books of account and the carrying value if any is charged to Statement of Profit and Loss.

Assets costing five thousand rupees or less are fully depreciated in the year of purchase.

Depreciation on Property, Plant and Equipment is provided based on the useful lives of the assets as estimated by the Management, which are in line with Schedule II to the Companies Act, 2013

Estimated useful life of the assets are as follows:

Type of the Asset	Method of Depreciation	Useful life considered (Years)
Buildings	SLM	30
Plant and Equipment	SLM	5-15
Furniture and Fittings	SLM	10
Data Processing Equipment	SLM	3-6
Office Equipment	SLM	5

d) Intangibles:

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

e) Impairment of non-financial assets:

- i. 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.
- ii. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exists or have decreased. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

f) Leases:

The determination of whether an agreement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the



INCON ENGINEERS LIMITED

arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Classification on inception of lease:

a. Operating lease:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases.

b. Finance Lease:

A lease is classified as a financial lease where the lessor transfers substantially all the risks and rewards incidental to the ownership of the leased item.

Accounting of Operating leases:

a. Where the Company is the lessee:

Lease payment in case of operating leases are charged to profit and loss statement on Straight Line Basis over the lease term. In case the escalation in operating lease payments are in line with the expected general inflation rate then the lease payments are charged to statement of profit and loss instead of straight line method.

b. where the Company is the lessor:

Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Initial direct costs such as legal costs, brokerage costs, etc., are added to the carrying amount of the leased asset and recognised as an expense over the lease term.

g) Inventories:

- i. Raw Materials, Stores and Spares and Consumables are stated at lower of Cost and Net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost in which they will be incorporated and 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 realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

h) Revenue recognition:

Revenue from contracts with customers includes Sale of Goods and Services and is recognised when control of goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services.



INCON ENGINEERS LIMITED

Revenue is measured at the fair value of consideration received or receivable and is recognized when the control in all respects, over the Goods or Services is transferred to and accepted by the customer and the company has not retained any significant risks of ownership and future obligations with respect to such Goods or Services. Specifically, the following basis is adopted for various sources of income:

i. Sale of goods: Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and is disclosed net off discounts, taxes collected and returns.

ii. Income from Services: Revenue is recognized as and when the Services rendered as per the terms of individual Service Contract.

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

i) Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

j) Retirement and other employee benefits:

- i. Employer's contribution to Provident Fund/Employee State Insurance which is in the nature of defined contribution scheme is expensed off when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the fund.
- ii. The company operates a gratuity plan which is in the nature of defined benefit obligation. The company's liability is provided based on independent actuarial valuation on projected unit credit method made at the end of each financial year as per the requirements of Ind AS 19 on "Employee Benefits".
- iii. Gratuity liability is considered as post-employment benefit expense as per Ind AS -19. Accordingly, re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in the retained earnings in the statement of changes in equity and in the balance sheet.
- iv. Accumulated leaves, which are expected to be utilised within the next twelve months, are treated as short-term employee benefits. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leaves expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.



k) Earnings Per Share:

Basic earnings per share are calculated by dividing the profit for the period 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 profit 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.

l) Provisions:

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provisions.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provisions are reversed. Where the effect of the time of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognised as a finance cost.

m) Contingencies:

Where it is not probable that an inflow or an outflow of economic resources will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statement of balance sheet and is disclosed as a contingent asset or contingent liability. Possible outcomes on obligations/rights, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent assets or contingent liabilities.

n) Taxes on Income:

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Current tax includes taxes to be paid on the profit earned during the year and for the prior periods.

Deferred income taxes are provided based on the balance sheet approach considering the temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company write-off the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-off is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.



INCON ENGINEERS LIMITED

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

o) Prior period items:

In case prior period adjustments are material in nature the company prepares the restated financial statement as required under Ind AS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors". In case of immaterial items pertaining to prior periods shown under respective items in the Statement of Profit and Loss.

p) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investment with original maturities of three months or less that are readily convertible to a known amount of cash which are subject to an insignificant risk of changes in value and are held for meeting short-term cash commitments.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

q) Segment Reporting:

Identification of Segments:

The company's operating business are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serve different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate. Operating Segments are reported in a manner consistent with internal reporting provided to the Executive Manager/ Chief Operating Decision Maker(CODM).

The Board of Directors of the company has identified Managing Director as the CODM.

Allocation of Common Costs:

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

Unallocated Items:

The corporate and other segment includes general corporate income and expense items which are not allocated to any business segment.

r) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets:

a. Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the



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market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

b. Subsequent measurement:

For the purpose of subsequent measurement, financial assets are classified in to following categories

- a. Debt instruments at amortised cost
- b. Debt Instruments at fair value through profit and loss (FVTPL)
- c. Equity instruments at fair value through profit and loss (FVTPL)

a. Debts Instruments at amortised cost:

A 'Debt Instrument' is measured at the amortised cost if both the following conditions are met:

- i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. The EIR amortisation is included in other income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

b. Debt Instruments at Fair value through profit and loss (FVTPL):

As per the Ind AS 101 and Ind AS 109, the Company is permitted to designate the previously recognised financial asset at initial recognition irrevocably at fair value through profit and loss on the basis of fact and circumstances that exists on the date of transition to Ind AS. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of Profit and Loss.

c. Equity instruments at fair value through profit and loss (FVTPL):

Equity instruments in the scope of Ind AS 109 are measured at fair value. The classification is made on initial recognition and is irrevocable. Subsequent changes in the fair values at each reporting date are recognised in the Statement of Profit and Loss.

c. Derecognition:

A financial asset or where applicable, a part of a financial asset is primarily derecognised when:

- a. The rights to receive cash flows from the asset have expired, or
- b. The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement? and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has



entered into a pass-through arrangement, it evaluates, if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

d. Impairment of financial assets:

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial instruments.

Expected credit loss is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive.

The management uses a provision matrix to determine the impairment loss on the portfolio of trade and other receivables. Provision matrix is based on its historically observed expected credit loss rates over the expected life of the trade receivables and is adjusted for forward looking estimates.

Expected credit loss allowance or reversal recognised during the period is recognised as income or expense, as the case may be, in the statement of profit and loss. In case of balance sheet, it is shown as an adjustment from the specific financial asset.

Financial liabilities:

a. Initial recognition and measurement:

At initial recognition, all financial liabilities are recognised at fair value and in the case of loans, borrowings and payables, net of directly attributable transaction costs.

b. Subsequent measurement:

i. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gain or losses on liabilities held for trading are recognised in the profit or loss. The company doesn't designate any financial liability at fair value through profit or loss.

ii. Financial liabilities at amortised cost:

Amortised cost, in case of financial liabilities with maturity more than one year, is calculated by discounting the future cash flows with effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of profit and loss. Financial liability with maturity of less than one year is shown at transaction value.

c. Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.



Reclassification:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

s) Fair Value Measurement:

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either

- ★ in the principal market for such asset or liability, or
- ★ in the absence of a principal market, in the most advantageous market which is accessible to the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a. Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- b. Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurements is directly or indirectly observable.
- c. Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.



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4. PROPERTY, PLANT AND EQUIPMENT

Amount in

		Gross Block			Depreciation Block			Net Block	
S.No	Particulars	As at 01.04.2018	Additions	As at 31.03.2019	Up to 31.03.2018	for the year	Up to 31.03.2019	As at 31.03.2019	As at 31.03.2018
01	Land	3,778,773	-	3,778,773	-	-	-	3,778,773	3,778,773
02	Buildings - Factory	5,752,171	-	5,752,171	4,060,804	138,763	4,199,567	1,552,604	1,691,367
03	Plant and Equipment	2,646,634	-	2,646,634	2,309,641	79,152	2,388,793	257,841	336,993
04	Office Equipment	18,000	6,718	24,718	17,310	2,746	20,056	4,662	690
05	Data Processing Equipment	114,873	-	114,873	86,042	10,765	96,807	18,066	28,831
06	Furniture and Fixtures	132,500	-	132,500	48,188	13,636	61,824	70,676	84,312
	Grand Total	12,442,951	6,718	12,449,669	6,521,985	245,062	6,767,047	5,682,622	5,920,966
	Previous Year	12,408,951	34,000	12,442,951	6,245,085	276,900	6,521,985	5,920,966	6,163,866
5. INTANGIBLE ASSETS									
		Gross Block			Amortisation			Net Block	
S.No	Particulars	As at 31.03.2018	Additions	As at 31.03.2019	Up to 31.03.2018	for the year	Up to 31.03.2019	As at 31.03.2019	As at 31.03.2018
01	Computer software	40,201	-	40,201	40,201	-	40,201	-	-
	Grand Total	40,201	-	40,201	40,201	-	40,201	-	-
	Previous Year	40,201	-	40,201	38,192	2,009	40,201	-	2,009



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

Amount in Rs.

SI No.	Particulars	As at 31.03.2019	As at 31.03.2018
6	Other financial assets - Non Current:		
	Security Deposits	116,223	116,223
	Total	116,223	116,223
7	Deferred Taxes:		
	Net deferred tax asset/ (liability) not recognised in Balance Sheet		
	Fair value of financial assets/liabilities	-	1,592
	Accelerated depreciation	(1,193,289)	(1,207,855)
	Other disallowances	381,321	522,828
	Carry forward Losses	2,846,293	3,060,617
	Total	2,034,325	2,377,182
<p>In terms of Indian Accounting Standard (Ind AS 12) - "Income Taxes" as specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, there is a net deferred tax asset as on 31st March 2019. In the absence of convincing evidence regarding the availability of sufficient taxable income in near future against which the deferred tax asset can be adjusted, the Company has not recognised the deferred tax asset arising due to unused tax losses at present.</p>			
8	Inventories:		
	At Cost:		
	Raw Materials	88,272	84,340
	Less: Provision for Slow Moving Inventory	(81,292)	-
	Work in Progress	117,586	-
	Total	124,566	84,340
9	Trade Receivables:		
	Unsecured, Considered Good	3,450	-
	Total	3,450	-
10	Cash and cash equivalents:		
	Balances with Banks		
	- on Current Accounts	391,605	1,751,353
	- on Deposit Accounts	66,025	-
	Cash on Hand	4,391	36,624
	Total	462,021	1,787,977
11	Other financial assets - Current:		
	Margin Money Deposits	400,000	62,500
	Security Deposits	177,300	-
	Interest receivable	10,963	4,297
	Staff Advances	7,260	21,250
	Other receivables		
	Related parties	124,122	114,866
	Total	719,645	202,913



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

Amount in Rs.

SI No.	Particulars	As at 31.03.2019	As at 31.03.2018
12	Other Current Assets:		
	Balance with Statutory Authorities	29,273	231,964
	Prepaid Expenses	29,961	30,483
	Total	59,234	262,447
13	Equity Share Capital:		
	A. Authorised Share Capital		
	8,400,000 Equity Shares of Rs.10/- each	84,000,000	84,000,000
	B. Issued, Subscribed and Fully Paid up:		
	7,100,400 Equity Shares of Rs. 10/- each Fully paid up:	71,004,000	71,004,000
	Total	71,004,000	71,004,000
	C. Paid up:		
	4,327,100 Equity Share of Rs. 10/- each	43,271,000	43,271,000
	Add: Forfeited shares (amount originally paid up)	13,866,500	13,866,500
	Total	57,137,500	57,137,500
	D. Reconciliation of the shares outstanding at the beginning and at the end of respective years:		
	In no. of Shares		
	At the Beginning and at the end of the year	4,327,100	4,327,100
	In value of Shares		
	At the Beginning and at the end of the year	43,271,000	43,271,000
	E. Rights attached to the Equity Shares		
	The company has only one class of equity shares having a face value of Rs. 10/- per share and with one vote per each share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General 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.		
	F. Details of Shareholders holding more than 5% shares in the company		
	Equity Shares		
	Sri Sreedhar Chowdhury - In No's	2,057,079	2,057,079
	- In %	47.54	47.54



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

Amount in Rs.

SI No.	Particulars	As at 31.03.2019	As at 31.03.2018
14	Other Equity:		
	Capital Reserve:		
	At the beginning and at the end of the year	157,259	157,259
	Revaluation Reserve:		
	At the beginning and at the end of the year	1,414	1,414
	Surplus in Statement of Profit and Loss		
	At the beginning of the year	(52,904,013)	(53,428,374)
	Profit / (Loss) for the year	(1,269,942)	524,361
	At the end of the year	(54,173,955)	(52,904,013)
	Other Comprehensive Income		
	On Actuarial Gain/(loss) on post employment benefits		
	At the beginning of the year	70,463	246,298
	for the year	(65,665)	(175,835)
	At the end of the year	4,798	70,463
	Total	(54,010,484)	(52,674,877)
15	Provisions: Non-Current:		
	Provision for employee benefits:		
	Provision for Gratuity (refer Note: 31)	239,126	351,945
	Provision for Compensated Absences	19,628	38,839
	Total	258,754	390,784
16	Trade Payables - Current:		
	For Supplies and Services (refer Note:32)	301,467	199,733
	Total	301,467	199,733
17	Other financial liabilities - Current:		
	Repayable Security deposit from a related Party	180,000	173,334
	Salaries and Wages payable	236,906	247,881
	Due to Directors	1,935,000	-
	Total	2,351,906	421,215



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

Amount in Rs.

SI No.	Particulars	As at 31.03.2019	As at 31.03.2018
18	Other current liabilities:		
	Advance from Customers		
	Related parties	-	1,500,000
	Others	193,569	-
	Statutory Liabilities	48,986	48,014
	GST Payable	312,977	577,206
	Deferred Rental Income	-	6,183
	Other Payables	51,630	57,921
	Total	607,162	2,189,324
19	Provisions - Current:		
	Provision for employee benefits:		
	Provision for Gratuity (refer Note:31)	652,821	826,405
	Provision for Compensated Absences	3,024	18,476
	Other Provisions		
	Provision for warranties	165,000	120,000
	Total	820,845	964,881
20	Commitments And Contingent Liabilities:		
	Bank guarantees	400,000	62,500
	Claims against the company not acknowledged as a debts	1,788,105	1,768,305
	Total	2,188,105	1,830,805
* Represents the claims made by the customers along with interest due to deficiencies in service in earlier years and pending with various consumer forums for adjudication.			
21	Other Income:		
	Interest Income		
	on Bank Deposits	10,043	6,517
	on others	3,945	3,797
	Other Non-operating Income (Net of Expenses)		
	Rents earned	1,014,750	922,380
	Deferred Rental Income	6,183	12,372
	Provision no longer required for warranty written back	120,000	1,125
	Total	1,154,921	946,191



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

Amount in Rs.

SI No.	Particulars	As at 31.03.2019	As at 31.03.2018
22	Cost of Materials Consumed:		
	Inventory at the beginning of the year	84,340	90,618
	Add: Purchase of materials	1,365,198	2,207,862
		1,449,538	2,298,480
	Less: Inventory at the end of year	88,272	84,340
	Total	1,361,266	2,214,140
23	Change in inventories:		
	Inventory at the beginning of the year		
	Finished goods	-	104,629
	Less: Written off	-	(104,629)
	Work in progress	-	636,186
		-	636,186
	Inventory at the end of the year		
	Work in progress	117,586	-
		117,586	-
	Total	(117,586)	636,186
24	Employee Benefits Expense:		
	Salaries, Wages and Bonus	2,626,891	2,614,140
	Contribution to Provident and Other Funds	210,966	228,768
	Staff Welfare Expenses	47,463	53,846
	Gratuity	123,098	130,699
	Total	3,008,418	3,027,453
25	Finance costs:		
	Interest on rental deposit	6,666	12,838
	Total	6,666	12,838
26	Depreciation and amortisation expense:		
	Depreciation on Property, Plant and Equipment	245,062	276,900
	Amortisation of Intangible Assets	-	2,009
	Total	245,062	278,909



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

Amount in Rs.

SI No.	Particulars	As at 31.03.2019	As at 31.03.2018
27	Other expenses:		
	Job Work Charges	159,505	291,190
	Power and Fuel	116,737	139,957
	Rates and Taxes	182,454	269,496
	Insurance	28,194	31,216
	Advertisement	27,819	28,661
	Communications	47,432	57,653
	Travelling and Conveyance	58,690	56,593
	Legal and Professional Charges	939,700	814,537
	Payments to Auditors		
	as auditors	35,000	35,000
	for certification	14,630	14,000
	Repairs and Maintenance to:		
	Machinery	10,005	50,261
	Buildings	4,318	16,786
	Other Assets	16,495	17,189
	Watch and Ward Expenses	517,275	507,083
	Inventory Written off	-	104,629
	Miscellaneous expenses	499,510	511,034
	Provision for Slow Moving Inventory	81,292	-
	Provision for Warranty	165,000	120,000
	Total	2,904,056	3,065,285
28	Other comprehensive income:		
	Acturial Gain/(Losses) on Gratuity Expense for the year	(65,665)	(175,835)
	Deferred Taxes on above	-	-
	Total	(65,665)	(175,835)
29	Earnings Per Equity Share:		
	Total Comprehensive Income for the year	(1,335,607)	348,526
	Weighted average number of equity shares of Rs 10/-each	4,327,100	4,327,100
	Earnings per equity share (Basic and Diluted)	(0.31)	0.08



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30. Movements in Provisions:

Amount in Rs.

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Gratuity: (Refer Note: 31 also)		
At the beginning of the year	1,178,350	1,263,713
Charge for the year	188,763	306,534
Released during the year	(475,166)	(391,898)
At the end of the year	891,947	1,178,350
Compensated Absences:		
At the beginning of the year	57,315	54,126
Charge for the year	13,543	18,389
Released during the year	(48,206)	(15,200)
At the end of the year	22,652	57,315
Warranties:		
At the beginning of the year	120,000	--
Charge for the year	165,000	120,000
Written Back during the year	(120,000)	--
At the end of the year	165,000	120,000

31. Retirement and other Benefit Obligations:

Amount in Rs.

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
A. Defined Contribution Plan (Expenses)		
Contribution to Provident Fund	163,214	174,944
Contribution to Employee State Insurance	47,640	53,824
B. Post - employment Defined Benefit Plan (Gratuity)		Amount in Rs.
PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
1. Movement in Obligation		
Present Value of Obligation at the beginning of year	1,178,350	1,263,713
Current Service Cost	47,837	50,617
Interest Cost	75,261	80,082
Benefits Paid	(475,166)	(391,898)
Actuarial (Gain)/Loss on Obligation	65,665	175,835
Present Value of Obligation at the end of year	891,947	1,178,350



INCON ENGINEERS LIMITED

2. Expenses recognised in Profit and Loss Statement:	Current Service Cost	47,837	50,617
	Net Interest Cost	75,261	80,082
	Expense for the year	123,098	130,699
3. Recognised in Other Comprehensive Income:		For the year ended March 31, 2019	For the year ended March 31, 2018
	Actuarial (Gain) /loss for the year	65,665	175,835
	Total Expenditure recognised	65,665	175,835
4. Actuarial Assumptions for estimating Company's Defined Benefit Obligation:			
a.	Attrition Rate	PS: 0 to 40: 1 %	PS: 0 to 40: 1 %
b.	Discount Rate	7.49%	8.00%
c.	Expected Rate of Increase in Salary	4.00%	4.00%
d.	Retirement Age	58 years	58 years
e.	Mortality Rate	IALM (2006-08) Ult.	IALM (2006-08) Ult.
f.	Expected Average remaining working lives of employees (years)	9.31	5.07

5. Sensitivity Analysis		Amount in Rs.	
Sensitivity	Change	Effect on obligations	
Discount Rate	+1%	(22,296)	(20,217)
	-1%	25,024	22,360
Salary Escalation Rate	+1%	32,745	33,262
	-1%	(30,132)	(31,091)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as and when calculating the defined benefit obligation recognised within the Balance Sheet.

6. Expected Payout - Gratuity		
Expected payments - 1 st Year	652,821	8,160
Expected payments - 2 nd Year	5,092	8,626
Expected payments - 3 rd Year	5,531	4,252
Expected payments - 4 th Year	6,003	4,495
Expected payments - 5 th Year	6,355	4,757
Expected payments - 6 th year to 10 th Year	201,722	19,164



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7. Other Information:

i. **Plan Assets:**

At present the company has not invested any amount in plan assets.

ii. **Present value of defined benefit obligation:**

Present value of the defined benefit obligation is calculated by using Projected Unit Credit method (PUC Method). Under the PUC method a "projected accrued benefit" is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the Plan. The "projected accrued benefit" is based on the Plan's accrual formula and upon service as of the beginning or end of the year but using a member's final compensation projected to the age at which the employee is assumed to leave active service. The Plan Liability is the actuarial present value of the "projected accrued benefits" as of the beginning of the year for active members.

iii. **Expected average remaining service Vs. Average Remaining Future Service:**

The average remaining service can be arithmetically arrived by deducting current age from normal retirement age whereas the expected average remaining future service is arrived actuarially by applying multiple decrements to the average remaining future service namely mortality and withdrawals. Thus, the expected average remaining service is always less than the average remaining future service.

iv. **Current and Non- Current Liability:**

The total of current and non-current liability must be equal with the total of PVO (Present value obligation) at the end of the period. It has been classified in terms of Schedule III of the Companies Act 2013.

Accordingly, below is the Current and Non-Current classification of Gratuity and Compensated Absences:

Particulars	Amount in Rs.	
	As at March 31, 2019	As at March 31, 2018
Gratuity: -		
a. Current Portion	652,821	826,405
b. Non-current portion	239,126	351,945
Compensated Absences: -		
a. Current Portion	3,024	18,476
b. Non-current portion	19,628	38,839

- V. 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 as certified by an actuary.

32. Disclosure of Trade Payables under current liabilities 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. There are no amounts due to them as at the end of the year and there is no interest paid/payable during the year by the Company in terms of section 16 of the said Act.



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33. INCOME TAX EXPENSE AND DEFERRED TAXES

Amount in Rs.

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Income Tax Expense: -		
a. Current Tax	-	-
b. Earlier Years Tax	55,784	-
c. Deferred Tax (arising on temporary differences)	NA	NA
Total Tax Expense for the year	55,784	-

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Effective Tax Reconciliation: -		
a. Net Profit/(Loss) before taxes	(1,214,158)	348,526
b. Tax rate applicable to the company as per normal provisions	26.00%	25.75%
c. Tax expense on net profit (c = a*b)	NIL	89,745
d. Increase/(decrease) in tax expenses on account of:		
i. Accelerated Depreciation	--	27,012
ii. Expenses not allowed under income tax	--	30,900
iii. Net Expenses allowed under payment basis	--	(21,160)
iv. Other allowances	--	--
v. Adjustment of brought forward losses	--	(126,497)
vi. Other adjustments	--	--
Total Increase/(decrease) in tax expenses (d)	NIL	(89,745)
e. Tax as per normal provision under Income tax (c + d)	NIL	NIL

*Profit before Tax is considered as per previous GAAP which is appropriate for tax computation for that year.

34. Fair Value of financial instruments:

Amount in Rs.

PARTICULARS	As at 31.03.2019	As at 31.03.2018
Financial Assets: -		
At Amortised Cost		
Security Deposits	116,223	116,223
Employee Staff Advance	7,260	21,250
Carrying Value		
Security Deposits	116,223	116,223
Employee Staff Advance	7,260	21,250
Financial Liabilities: -		
At Amortised Cost		
Repayable Security Deposits	180,000	173,334
Carrying Value		
Repayable Security Deposits	180,000	180,000



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The management assessed that cash and cash equivalents, trade receivables, trade payables and other current assets/liabilities approximate their carrying amount largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is reported at the amount at which the instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

Fair value of interest free loans given to employees and security deposits have been calculated by discounting future cashflows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Description of significant observable inputs to valuation:

a. Interest free employee staff advance:

Since all the Employee advances are current in nature the carrying value is assumed to be the fair value of such advances.

b. Interest free Security Deposits (assets):

All the non-current Security Deposits are with no repayment terms. Hence the carrying value is assumed to be the fair value of such Deposits.

c. Interest free Security Deposits (liabilities):

Interest Rate factor has been considered at a rate of 8% p.a. by the company for discounting the amount receivable at the time of maturity.

35. Fair Value hierarchy:

The following table provide the fair value measurement hierarchy of the company's assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy for assets as at March 31, 2019:

Amount in Rs.

PARTICULARS	TOTAL	Fair Value measurement using	
		Quoted prices in active mar-kets	Significant ob-servable inputs
Financial Assets measured at Amortised Cost:			
Security Deposits	116,223		116,223
Employee Staff Advance	7,260	--	7,260
Financial Liability measured at Amortised Cost:			
Repayable Security Deposits	180,000	--	180,000



INCON ENGINEERS LIMITED

Quantitative disclosures fair value measurement hierarchy for assets as at March 31st, 2019:

Amount in Rs.

PARTICULARS	TOTAL	Fair Value measurement using	
		Quoted prices in active mar-kets	Significant ob-servable inputs
Financial Assets measured at Amortised Cost:			
Security Deposits	116,223	--	116,223
Employee Staff Advance	21,250	--	21,250
Financial Liability measured at Amortised Cost:			
Repayable Security Deposits	173,334	--	173,334

36. Segment Information:

The executive management of company monitors the operating results of its business as a single unit for the purpose of resource allocation and performance assessment which is "Manufacture of Chemical process equipment and agricultural Equipment". Hence segment information is not applicable.

Entity Wide Disclosures:

Amount in Rs.

Revenue from external customers	For the year ended March 31, 2019	For the year ended March 31, 2018
India	5,038,803	8,812,981
Outside India	--	--
Total	5,038,803	8,812,981
Revenue from individual customers exceeding 10%	4,778,522	6,935,347

Non-Current Operating Assets	For the year ended March 31, 2019	For the year ended March 31, 2018
India	5,682,622	5,920,966
Outside India	--	--
Total	5,682,622	5,920,966

for Non-Current Operating assets, financial instruments, deferred tax assets, post-employment benefit assets have been excluded.



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37. The details of the transactions with related parties to be disclosed as required by Indian Accounting Standard - 24 are as follows.

Names of the Related parties and description of relationship:

- i) Key Management Personnel : Mr. Sreedhar Chowdhury : Managing Director
- ii) Other Related Parties : M/s. Oxeeco Meditek Private Limited
- : M/s. Oxeeco Technologies Private Limited
- : M/s. The Oxygen Equipment & Engineering Company Ltd.
- : M/s. Fusion Lastek Technologies Private Limited
- : M/s. Fusion Chemicals & Products Private Limited
- : M/s. Fusion Advanced Materials Private Limited
- : M/s. Spanex products

Transactions with Related Parties:		Amount in Rs.	
Particulars	31.03.2019	31.03.2018	
ii) Key Management Personnel			
Mr. Sreedhar Chowdhury			
Advances Taken	2,505,000		–
Advances Repaid	570,000	1,605,000	
ii) Other Related Parties			
M/s. Oxeeco Technologies Private Limited			
Rent Received	1,014,750	922,380	
M/s. Spanex products			
Advance received against orders	–	1,500,000	
Advances returned	1,500,000		–
Year end Balances {due from/ (due to)}			
1. Mr. Sreedhar Chowdhury	(1,935,000)		–
2. M/s. Oxeeco Technologies Private Limited	124,122	114,866	
3. M/s. Spanex products	–	1,500,000	

38. Financial Risk Management objectives and policies:

The company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include market risk, credit risk and liquidity risk. The company's risk management policies focus on the unpredictability of financial risks and seek guidelines, where appropriate, to minimize the potential adverse impact of such risks. There has been no change to the company's exposure to these financial risks or the manner in which it manages and measures the risks.

The following sections provide the details regarding the Company's exposure to the financial risks associated with financial instruments held in the ordinary course of business and the objectives, policies and processes for the management of these risks.

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's



INCON ENGINEERS LIMITED

principal financial assets include trade and other receivables and cash and cash equivalents which are derived from its operations

The company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the mitigation of the risks. The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The management / board reviews and agrees policies for managing each of these risks, which are summarized below.

i. Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk interest rate risk and other price risks such as equity risk. Financial instruments affected by market risk include loans and advances and deposits.

a. Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the loans and advances given by the company and Cash and Cash equivalents.

As there are no borrowings the company's policy to manage its interest cost does not arise.

The company is not exposed to significant interest risk as at the respective reporting dates.

b. Foreign Currency Risk:

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

As there were no transactions denominated in foreign currencies in any of the reporting periods, the company is not exposed to any foreign currency risk as at the respective reporting dates.

c. Other price risk:

Other price risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

The company based on working capital requirement keeps its liquid funds in current accounts.

The company doesn't have any significant other price risk.

ii. Credit risk:

Credit risk is the risk of loss that may arise on outstanding financial instruments when a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and short-term deposit) the Company minimise credit risk by dealing exclusively with high credit rating counterparties. The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades only with recognised



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and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

a. Exposure to credit risk:

At the end of the reporting period the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position. No other financial assets carry a significant exposure to credit risk.

b. Credit risk concentration profile:

At the end of the reporting period there were no significant concentrations of credit risk. The maximum exposures to credit risk in relation to each class of recognised financial assets is represented by the carrying amount of each financial assets as indicated in the balance sheet.

c. Financial assets that are neither past due nor impaired:

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Company. Cash and short-term deposits that are neither past due nor impaired are placed with or entered with reputable banks, financial institutions or companies with high credit ratings and no history of default.

iii. Liquidity risk:

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The company ensures that it has sufficient cash on demand to meet expected operational demands including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Amount in Rs.				
Particulars	On demand	< 12 months	1 to 5 years	Total
Year ended 31st March, 2019				
Trade Payables	–	301,467	–	301,467
Other financial liabilities	1,935,000	416,906	–	2,351,906
Year ended 31st March, 2018				
Trade Payables	–	199,733	–	199,733
Other financial liabilities	–	421,215	–	421,215

Excessive Risk Concentration:

Concentrations arise when a number of counterparties are engaged in similar business activities or activities in the same geographical region or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political



INCON ENGINEERS LIMITED

or other conditions. Concentrations indicate the relative sensitivity of the company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

39. Capital Management:

Capital includes equity attributable to the equity holders of the company. The primary objective of the capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder's value.

The company manages its capital structure and make adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

Currently the Company doesn't have loans and borrowings and maintains the entire capital in form of equity sharecapital.

40. Standards Issued but not yet effective:

Ministry of Corporate Affairs (MCA) through Companies (Indian Accounting Standards) Amendment Rules, 2019 dated March 30, 2019 has notified the Ind AS 116 - Leases effective from 01.04.2019

Ind AS 116 - Leases

Ind AS 116 will supersede the current standard Ind AS 17 -Leases and the related interpretations. Ind AS 116 sets out the principles for recognition, measurement, presentation and disclosure of Leases.

The MCA has also carried out amendments to the following Indian Accounting Standards

- i. Ind AS 103 : Business Combinations
- ii. Ind AS 109 : Financial Instruments
- iii. Ind AS 111 : Joint Arrangements
- iv. Ind AS 12 : Income Taxes
- v. Ind AS 19 : Employee Benefits
- vi. Ind AS 23 : Borrowing Costs
- vii. Ind AS 28 : Investments in Associates and Joint Ventures.

The Company has not applied the above accounting standard and other amendments as they come into force from April 01, 2019.

The Company has evaluated the impact of the above amendments on its financial statements and found to be insignificant in nature.

Per our report of even date

For K.S. Rao & Co

Chartered Accountants

Firm Registration No.003109S

T. Sukesh Kumar

Partner

Membership No.229963

Place: Hyderabad

Date : 29.05.2019

For and on Behalf of the Board

SREEDHAR CHOWDHURY

Managing Director

S. MANOHAR RAJU

Director

CFO & Secretary



INCON ENGINEERS LIMITED

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014 - Form No.MGT-11]

INCON ENGINEERS LIMITED

CIN: L74210TG1970PLC001319

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

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

49th Annual General Meeting - 30th September, 2019

Name of the Member(s)	
Registered Address	
Email ID	
Folio No. / Client ID	
DP ID	
I/we, being the Member(s) ofshares of the above named Company, hereby appoint	
Name :	Email ID :
Address	Signature :

or failing him/her

Name :	Email ID :
Address	Signature :

and as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 49th Annual General Meeting of the Company be held on Monday 30th day of September, 2019 at 9.30 a.m. at the Registered Office at B-6/3, I.D.A. Uppal Hyderabad-500039 and at any adjournment thereof in respect of such resolution as are indicated below:



INCON ENGINEERS LIMITED

Sl. No	Resolution (s)	Vote	
		For	Against
ORDINARY BUSINESS			
1	Adoption of financial statements		
2.	To appoint a director in place of Dr.B.NeetaKumari (DIN 00313522) who retires by rotation and being eligible offers herself for reappointment.		
SPECIAL BUSINESS			
3	Appointment of Mr.S.Manohar Raju as an Independent Director of the Company, for a term of five consecutive years from the date of this appointment		
4	Appointment of Mr. A. Subba Rao as an Independent Director of the Company, for a term of five consecutive years from the date of this appointment		
5	Transaction with Related Parties		

Signed thisday of2019



Signature of Shareholder

Signature of the Proxy holder(s)

NOTE:

1. This form of Proxy in order to be effective should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference if you leave the 'for', 'against' or 'abstain' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appreciate.



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 49th Annual General Meeting of INCON ENGINEERS LIMITED to be held on Monday, the 30th day of September, 2019 at 9.30 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.



INCON ENGINEERS LIMITED

Dear Member,

Subject: Instructions for e-voting

Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 49th Annual General Meeting to be held on Monday, September 30th, 2019 at 9.30 a.m. The Company has engaged the services of the National Securities Depository Limited (NSDL) to provide the e-voting facility. The Notice is displayed on the website of NSDL, www.evoting.nsdl.com.

The e-voting facility is available at the link, <https://www.evoting.nsdl.com>

E-voting particulars

EVEN (E-VOTING EVENT number)	User ID	Password
<<ID1>>	<<ID1>>	<<PWD>>

The e-voting facility will be available during the following voting period

Commencement of e-voting	End of e-voting
27.09.2019 starts at 9.00 am IST	29.09.2019 ends at 5.00 pm IST

Please read the following instructions before exercising your vote:

This details and instructions form an integral part of the Notice of the Annual General Meeting to be held on September 30, 2019.

Instructions for e-voting

In compliance with Regulation 44, SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Section 108 and other applicable provisions of the Companies Act, 2013, read with related Rules, the Company is 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:

Step 1: Log in to NSDL's e-voting system at <https://www.evoting.nsdl.com/>

Step2: Cast your vote electronically on NSDL's e-voting system.

Step 1: How to log in to the NSDL e-voting website

1. Visit the e-voting website of NSDL by opening your web browser and typing the following URL either on a desktop computer/ laptop or on a mobile or scan the QR code using smart phone:

https://www.evoting.nsdl.com

2. Once the homepage of the e-voting system is launched, click on the icon 'Login' available under 'Shareholders'
3. A new screen will open. You will have to enter your User ID, your password and a Verification Code as shown of the screen.



INCON ENGINEERS LIMITED

Alternatively, if you are registered for NSDL e-services, i.e. IDEAS, you can log in at <https://eservices.nsdl.com/> with your existing IDEAS log-in details. Once you log in to NSDL e-services using your log-in credentials, click on e-Voting and proceed to Step 2, i.e., cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares, i.e., Demat (NSDL or CDSL) or Physical	User ID
a) For members who hold shares In demat accounts with NSDL	8-character DP ID followed by 8-digit Client ID For example, if your DP ID is IN300*** and Client ID is 12**** then your User ID is IN300*****12*****
b) For members who hold shares In demat account with CDSL Beneficiary ID is	16-digit Beneficiary ID For example if your 12***** then Your user ID is 12*****
c) For members holding shares in form. Company	EVEN, followed by Folio Number registered with the Physical For example, if your EVEN is 111449, and Folio Number is 001*** then your User ID is 111449001**

5. Your password details are given below:

- If you are already registered for e-voting then you can use your existing password to log in and cast your vote.
- If you are using the NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which communicated to you. Once you retrieve your initial password, you need to enter the 'initial Password and change your password, as prompted by the system.
- How to retrieve your initial password?
 - If your email ID is registered in your demat account or with the company your 'initial' password is communicated to you on your e-mail ID. Trace the email sent to you by NSDL from your mailbox. Open the email and open the attachment (it will be a .pdf file). Open the file. The password to open the file is your 8-digit client ID for your NSDL account, or the 8 digits of your CDSL client ID, or folio number for shares held in physical form. The .pdf file contains User ID and your 'initial password'.
 - If your email ID is not registered, your 'initial password' is communicated to you on your postal address.



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6. If you have not received the 'initial password', or are unable to retrieve it, or have forgotten your password:
 - a) Click on the 'Forgot User Details / Password (for those holding shares in demat accounts with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) A Physical User Reset Password (for those holding shares in physical mode) option is also available on www.evoting.nsdl.com
 - c) If you are unable to get your password following the aforesaid options, you can send a request to evoting@nsdl.co.in mentioning your demat account number / folio number, your PAN, your name, and your registered address.
7. After entering your password, agree to the terms and conditions by checking the box.
8. Next, click on the 'Login' button
9. After you click on the 'Login' button, the homepage of e-voting will open.

Step 2

How to cast your vote electronically on the NSDL e-voting system?

1. After successfully logging in following Step 1, you will be able to see the e-voting homepage. Click on 'e-Voting' Then, click on 'Active Voting Cycles'.
2. Upon clicking on 'Active Voting Cycles', you will be able to see the 'EVEN' of all the companies in which you hold shares and whose voting cycles are in 'active' status.
3. Select the 'EVEN' of the company for which you wish to cast your vote.
4. Now you are on the voting page and ready for e-voting.
5. Cast your vote by selecting appropriate options, i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote, and click on 'Submit'. Also click on 'Confirm' when prompted.
6. Upon confirmation, the message, 'vote cast successfully', will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Please remember that you are not allowed to modify your vote once you confirm your vote on a resolution.

General guidelines for shareholders

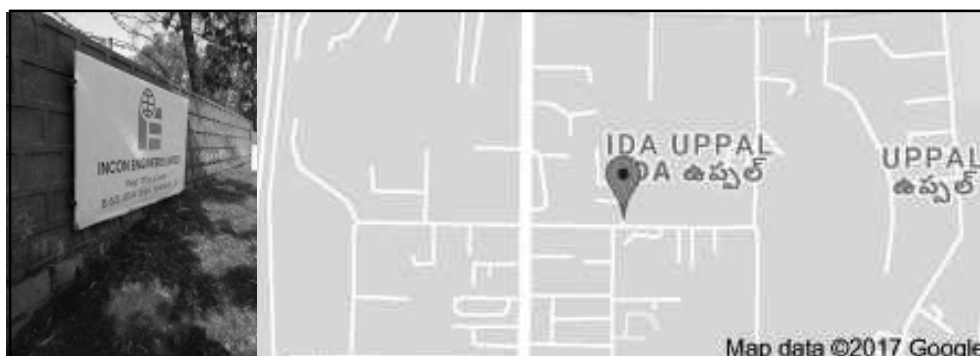
1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to evoting@incon.in, with a copy marked to evoting@nsdl.co.in



INCON ENGINEERS LIMITED

2. It is strongly recommended that you do not to share your password with any other person and take utmost care to keep your password confidential. Log in to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details / Password Or the 'Physical User Reset Password Option available on www.evoting.nsdl.com, to reset password
3. In case of any queries you may refer to the Frequently Asked Questions (FAQ) for shareholders and the e-voting user manual for shareholders available in the download section of www.evoting.nsdl.com, or call on the toll-free no: 1800-222-990 or contact PallaviMhatre, Assistant Manager, National Securities Depository Ltd., Trade world, 'A' Wing, 4th Floor, Kamala Mills Compound, SenapatiBapat Marg, Lower Parel, Mumbai - 400013, at the designated email address: pallavid@nsdl.co.in/evoting@nsdl.co.in or at telephone no+91 22 2499 4545 who will also address grievances connected with voting by electronic means.
4. The e-voting period commences **on 27.09.2019 from 9 a.m and ends on 29.09.2019 (5.00 p.m).** During this period, members of the Company holding shares either in physical or dematerialized form, as on the **cut-off date 24.09.2019** may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. A member will not be allowed to vote again on any resolution on which a vote has already been cast. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice convening the AGM and up to the **cut-off date i.e. 24.09.2019**, may obtain his login ID and password by sending a request at evoting@nsdl.co.in
5. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the **cut-off date i.e.24.09.2019**.

ROUTE MAP FOR AGM VENUE



Registered Office :

Address : Incon Engineers Limited,
IDA, Uppal, Hyderabad - 500 039.
Ph. : 040 - 27203943.

Printed Matter
BOOK POST

If undelivered, please return to :

INCON ENGINEERS LIMITED

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