

# Thirty First Annual Report 2016-2017



Oil Country Tubular Ltd.  
India

# Oil Country Tubular Ltd.



## BOARD OF DIRECTORS

Mr. K Suryanarayana	Chairman
Mr. Sridhar Kamineni	Managing Director
Mrs. K Indira	Director
Dr. T S Sethurathnam	Director
Mr. K V Ravindra Reddy	Director
Mr. A P Vitthal	Director

## COMPANY SECRETARY

Ms. Ramya Inala (Upto 31.03.2017)

## REGISTERED OFFICE

"Kamineni",  
3rd Floor, King Koti  
Hyderabad - 500 001 (TG)  
Phone No:040 - 2478 5555  
Website : [www.octlindia.com](http://www.octlindia.com)  
Email : [demat@octlindia.com](mailto:demat@octlindia.com)

## BANKERS

State Bank of Hyderabad  
Allahabad Bank  
Bank of Bahrain & Kuwait B.S.C.  
Indian Overseas Bank

## AUDITORS

CKS Associates  
Chartered Accountants  
# 87 Nagarjuna, Road No.3  
Gagan Mahal Colony,  
Hyderabad - 500 029 (T.G.)

## WORKS

Sreepuram  
Narketpally Mandalam  
Nalgonda Dist - 508 254 (T.G.)

## REGISTRARS & SHARE TRANSFER AGENTS

XL Softech Systems Limited  
3, Sagar Society, Road No.2,  
Banjara Hills,  
Hyderabad - 500 034 (T.G.)  
Phone No: 040 - 2354 5913  
Email:[xlfield@gmail.com](mailto:xlfield@gmail.com)

## NOTICE TO MEMBERS



Notice is hereby given that the 31st Annual General Meeting of Oil Country Tubular Limited will be held on Thursday, the 10<sup>th</sup> day of August, 2017 at 10.00 A.M. at Taj Mahal Hotel, 2<sup>nd</sup> Floor, Akshaya Hall, 4-1-999, Abids Road, Hyderabad – 500 001, to transact the following business :

### ORDINARY BUSINESS :

- 1) To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31<sup>st</sup> March, 2017 and Balance Sheet as at that date together with Director's Report and Auditor's Report thereon.
- 2) To appoint a Director in place of K Indira (DIN:00332194), who retires by rotation and, being eligible, offers herself for re-appointment
- 3) To appoint Statutory Auditors and to fix their remuneration and in this regard to consider, and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** M/s G Nagendra Sundaram & Co. Chartered Accountants (Firm's Regn. No. 05355S.), and Membership No.050283 having office at Flat No.B-502, Pasha Court, 6-3-680, Somajiguda, Hyderabad-500 082 be and hereby appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of 36<sup>th</sup> Annual General Meeting at such remuneration as may be determined by the Board of Directors."

### SPECIAL BUSINESS :

- 4) To consider and if thought fit, to pass with or without modification, the following Resolution as **Special Resolution**.

**"RESOLVED THAT** pursuant to the Provisions of sections 196, 197 and 198, and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V of the said Act, including any statutory modification(s) or re-enactment thereof, for the time being in force, Mr. K. Suryanarayana be and is hereby reappointed as Executive Chairman of the Company for a period of three years with effect from 20.01.2017 at a remuneration and upon terms and conditions as set out in the agreement placed before the meeting and initialed by the Chairman for the purpose of identification."

**"Resolved further** the Board be and is hereby authorized to alter and vary the terms and conditions of the said agreement in such a manner as may be agreed to by the Board and Mr. K Suryanarayana but so as not to exceed the limits specified in Schedule V of the Companies Act, 2013, or any amendment there to or enactments thereof, with effect from such date as may be decided by it."

- 5) To consider and if thought fit, to pass with or without modification, the following Resolution as **Ordinary Resolution**.

**"RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable during the year 2017-18 to M/s. Sagar & Associates, Cost Accountants (Firm Registration No.000118) appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2017-18, amounting to Rs.1,20,000/- (Rupees One Lakh Twenty Thousand Only) plus service tax as applicable and reimbursement of conveyance on actual basis as incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."

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

**K SURYANARAYANA**  
Chairman

Place : Hyderabad

Date : 25.05.2017

## NOTICE TO MEMBERS



### NOTES :

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to Special Business to be transacted at the Annual General Meeting is annexed hereto.
2. A member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself. A Proxy need not be a member of the Company. Instrument of proxies in order to be effective must be received by the Company not less than 48 hours before the time for holding the meeting.
3. The Register of Members and Transfer Books of the Company will be closed from **7<sup>th</sup> August, 2017 to 10<sup>th</sup> August, 2017 (both days inclusive)**.
4. Unclaimed dividend for the year(s) 2010-11, 2011-12, 2012-13 and 2013-14 are held in separate Bank accounts and shareholders who have not received the dividend / encashed the warrants are advised to write to the Company with complete details. During the year, the Company has transferred unclaimed dividend amount of ₹ 47,60,382/- on 06.07.2016 out of dividend declared for the financial year 2008-09 to Investor Education and Protection Fund (IEPF) of the Central Government required under Section 125 of the Companies Act, 2013..

The Unclaimed Dividend Amount for the year 2009-10 is to be transferred to Investor Education and Protection Fund (IEPF) when it is determined in the month of July, 2017 on the completion of (7) Seven years. Members may please note that if dividend remains unpaid or unclaimed for a period of (7) seven years from the date when it is transferred to unpaid dividend accounts it shall be transferred to the IEPF as stated above.

5. Non-Resident Indian Shareholders are requested to inform the registrars, M/s. XL Softech Systems Limited immediately:
  - a) The change in the Residential status on return to India for permanent settlement.
  - b) The particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank, if not furnished earlier.
6. Corporate members intending to send their authorized representatives for this meeting, pursuant to section 113 of Companies Act, 2013, are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote on their behalf at the meeting.
7. Pursuant to the Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, additional information on Directors seeking appointment / reappointment at the meeting are annexed to this notice.
8. The Ministry of Corporate Affairs ("Ministry"), Government of India, has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. As per the Circular No.17/2011, dated 21.04.2011 and Circular No.18/2011, dated 29.04.2011 issued by the Ministry of Corporate Affairs, under Green initiative in the Corporate Governance all the members are requested to intimate their e-mail address to the Company's Registrar and Transfer Agents whose e-mail id is [xlfield@gmail.com](mailto:xlfield@gmail.com) mentioning the Company's name i.e., Oil Country Tubular Ltd (OCTL), so as to enable the company to send the Annual Report and Accounts, Notices and other documents through Electronic Mode to their e-mail address..

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

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

The Annual Report 2016-17 of the Company is also available on the website of the Company [www.octlindia.com](http://www.octlindia.com)

## NOTICE TO MEMBERS



9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.
10. Members are requested to bring their copies of Annual Report to the meeting, as the same will not be supplied again at the meeting as a measure of economy.
11. Pursuant to the prohibition imposed vide Secretarial Standard on General Meetings (SS- 2) issued by the ICSI and the MCA circular, no gifts/coupons shall be distributed at the Meeting.
12. Pursuant to the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the company is providing e-voting facility to enable shareholders to cast their vote electronically on all the resolutions set forth in the Notice of the 31<sup>st</sup> Annual General Meeting to be held on Thursday, the 10<sup>th</sup> August, 2017 at 10.00 a.m..

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

Please refer to the detailed instructions on e-voting at page no. 66-68 of the Annual Report 2016-17. Shareholders holding shares in demat form and shareholders who have registered their email id with the company will also receive the e-voting instructions by email.

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

**K SURYANARAYANA**  
Chairman

Place : Hyderabad

Date : 25.05.2017

## EXPLANATORY STATEMENT



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

#### **Item No. 3:**

The Auditors M/s. C K S Associates, Chartered Accounts, Hyderabad will be completing their tenure of ten years upon conclusion of 31<sup>st</sup> Annual General Meeting. In accordance to Section 139 (2) (b) of the Companies Act, 2013, no listed company shall appoint or reappoint an audit firm as auditor for more than two terms of five consecutive years.

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

### **(Pursuant to section 102 of the Companies Act, 2013)**

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

Mr. K Suryanarayana, aged 80 years is a Metallurgical Engineer from Banaras Hindu University. He worked in Rourkela Steel Plant as Production Engineer. He was trained in Kaiser Steel Works, Fontana California, USA in the Technology of Steel Making.

Mr. K Suryanarayana was appointed as Executive Chairman for a period of 3 years from 20<sup>th</sup> January, 2014 by the Board at the meeting held on 25<sup>th</sup> October, 2013 and approved by the Shareholders in the Annual General Meeting held on 5<sup>th</sup> June, 2014. His term expired on 19<sup>th</sup> January, 2017.

The Remuneration Committee has recommended the Appointment of Mr. K. Suryanarayana as Executive Chairman at the existing level, subject to the approval of the Shareholders in the next Annual General Meeting. He will be paid a remuneration and perquisites as recommended by the Remuneration Committee are detailed below within the limits prescribed under section 196, 197, 198 and schedule V and other applicable provisions of the Companies Act, 2013 subject to overall ceiling fixed under Schedule V - Part II, Section I & II of Companies Act, 2013 amended from time to time.

Salary: ₹ 3,00,000/- Per Month

Commission: An amount equal to 5 (Five) percent of the Net Profit of the Company in each Financial Year computed in accordance with Section 198 of the Companies Act, 2013 including salary and perquisites.

#### **PERQUISITES:**

Contribution to Provident Fund, Superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. Gratuity payable at a rate not exceeding half month's salary for each completed year of service, and Encashment of leave at the end of the tenure. If in any Financial Year, during the tenure of office of Mr. K Suryanarayana as Executive Chairman, the Company has inadequate Profits as computed under the applicable provisions of the Act, he shall be entitled to receive the aforementioned remuneration as the minimum remuneration as provided under the Act.

Your Directors recommend the Resolution for approval.

None of the Directors except Mrs. .K Indira, Director and Mr. Sridhar Kamineni, Managing Director who is related to Mr. K Suryanarayana are interested in the resolution.

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

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Sagar & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for the



financial year ended March 31, 2018, at a remuneration of ₹ 1,20,000/- plus service tax as applicable and reimbursement of conveyance at actuals, subject to ratification by shareholders.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors for the year 2017-18 as set out in the Resolution for the aforesaid services to be rendered by them.

The Resolution is recommend for your approval.

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

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

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

<b>Name of the Director</b>	<b>Mrs. K. Indira</b>
Date of Birth	01-07-1939
Date of Appointment	23-07-2014
Qualifications	Educationist and Philanthropist
Expertise in specific functional areas	She is the Vice President of Kamineni Education Society and has made significant contributions in the field of education and healthcare besides other philanthropic activities for upliftment of backward and weaker sections of the Society. She is fully involved in the growth and development of various Educational and Healthcare Institutions.
List of Companies in which outside Directorship held as on 31.03.2017	Nil
Chairman/Member of the Committees of other Companies on which he/ she is a Member as on 31.03.2017	Nil
Number of equity shares held in the Company	2,10,000



## DIRECTOR'S REPORT



### To the Members,

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

### FINANCIAL RESULTS :

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

(₹ in lakhs)

S.No.	Particulars	2016-17	2015-16
1	Gross Income	1268.04	16412.03
2	Profit / (Loss) Before Interest and Depreciation	(5899.66)	2804.76
3	Finance Charges	1829.25	1731.00
4	Gross Profit / (Loss)	(7728.91)	1073.76
5	Provision for Depreciation	2239.67	2323.46
6	Net Loss Before Tax	(9968.58)	(1249.70)
7	Provision for Tax	(1572.69)	(589.93)
8	Net Loss After Tax	(8395.89)	(659.77)
9	Balance of Profit brought forward	-	-
10	Balance available for appropriation	(8395.89)	(659.77)
11	Transfer to General Reserve	8395.89	659.77

### OPERATIONS :

The Company achieved a turnover of ₹ 12.68 Crores only as against ₹ 164.12 Crores during the previous year. The very low turnover was due to the lockout of the Works for a period of two quarters. The lockout declared on Feb 22, 2016 was lifted on August 29, 2016 with improvement in the workmen situation. The Company lost major orders for Drill Pipe, Casing and Tubing during the period for which the Tenders are floated in the previous year.

The Company was not able to effectively participate in the Tenders, as the delivery is critical and time bound with provision of liquidated damages for default on deliveries.

With the commencement of the Operations from September, 2016 the Company submitted its bids for the Tenders floated which normally take four to six months for the techno-commercial evaluation and placement of Orders. The Company expects placement of Orders against these Tenders during the year 2017-18.

### PROSPECTS:

Considering the evaluation process of the Tenders submitted, the Company expects to receive Orders during the current year and is hopeful of achieving a turnover of ₹ 100 Crores in the remaining period and gradually increase its turnovers in the coming years.

Much of the Oil and Gas Industry has survived an especially tough few years with weak demand and low prices. The Worldwide Rig Count as of March 31, 2017 stood at 1985 as compared to 1551 as of March 31, 2016. Rig Count in the US is on the rise since the middle of 2016. With the increase in the deployment of Rigs for both Oil and Gas and the increase in the crude oil prices averaging at 50 USD/ barrel, the requirement of Drill Pipes, Casing and Tubing have started to gradually increase.

The Exploration and Drilling activities in India continue to remain at steady levels irrespective of the Crude Oil prices and the number of Rigs deployed is around 115. More drilling and exploration activities are expected with the rise in the Crude Oil prices, thereby leading to an increase in the requirement of the Tubulars.

The Government of India issued Notification No.7/2017-Customs (ADD) dated 17<sup>th</sup> February, 2017 imposing Anti-Dumping Duty on the tubular products originating from China. Minimum Import Prices have been imposed on the Casing, Tubing and Drill



## DIRECTOR'S REPORT



Pipe and other tubular products to protect the Domestic Industry from injury. The ADD is applicable for five years, which will help the Domestic Industry in the International Competitive Bids floated by Oil And Natural Gas Corporation Limited and Oil India Limited.

Further Government of India under its Make in India Policy is formulating rules and procedures to give a push to the domestic industry. Government of India is expected to announce major policy changes involving compulsory value addition - mandating and incentivizing use of local components in every industry and every procurement area which includes Oil and Gas Sectors.

Both proposals viz., price preference and value addition are part of the larger plan of Government of India to boost production in India by Indian companies. These policy decisions are being taken by the Government to further accelerate 'Make in India' mission. The proposals will prepare the ground for bringing in an 'India First' or 'Buy Indian', thus giving a tremendous push to the domestic industry including Oil and Gas.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

### CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

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

### LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the year 2017-18 to NSE and BSE where the Company's Shares are listed.

### DEMATERIALISATION OF SHARES:

91.09% of the company's paid up Equity Share Capital is in dematerialized form as on 31<sup>st</sup> March, 2017 and balance 8.91% is in physical form. The Company's Registrars are M/s XL Softech Systems Ltd., having their registered office at 3 Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500 034.

### Number of Board Meetings held :

The Board of Directors duly met 5 times during the financial year from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017. The dates on which the meetings were held are as follows: 26<sup>th</sup> May, 2016, 28<sup>th</sup> July, 2016, 1<sup>st</sup> September, 2016, 10<sup>th</sup> November, 2016 and 9<sup>th</sup> February, 2017.

### DIRECTORS:

#### Appointment by rotation :

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

#### Independent Directors Declaration :

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

### DIRECTORS RESPONSIBILITY STATEMENT :

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

- in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit / (Loss) of the company for the same period;
- the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with

## DIRECTOR'S REPORT



the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls in the company that are adequate and were operating effectively.
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

### AUDIT OBSERVATIONS :

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

### AUDITORS:

#### i) Statutory Auditors :

The Auditors M/s.C K S Associates, Chartered Accountants, Hyderabad will be completing their tenure of ten years upon conclusion of 31<sup>st</sup> Annual General Meeting. In accordance to Section 139 (2) (b) of the Companies Act, 2013, no listed company shall appoint or reappoint an audit firm as auditor for more than two terms of five consecutive years.

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

#### ii) Cost Auditors :

M/s. Sagar & Associates, Cost Accountants were appointed as Cost Auditors for auditing the cost accounts of your Company for the year ended 31<sup>st</sup> March, 2017 by the Board of Directors. The Cost Audit Report for the year 2015-16 has been filed under XBRL mode within the due date of filing.

#### iii) Secretarial Audit :

Ms.Manjula Aleti, Practicing Company Secretary in practice was appointed as Secretarial Auditor to conduct the Secretarial Audit of the Company for the year 31<sup>st</sup> March, 2017 as per the section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report for the year ended 31<sup>st</sup> March, 2017 (in Form MR-3) submitted by Company Secretary in Practice is enclosed as a part of this report Annexure-A.

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

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

### CORPORATE SOCIAL RESPONSIBILITY (CSR) :

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

### VIGIL MECHANISM :

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at [www.octlindia.com](http://www.octlindia.com) under investors/policy documents/Vigil Mechanism Policy link.

### RELATED PARTY TRANSACTIONS :

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for

## DIRECTOR'S REPORT



its omnibus approval and the particulars of contracts entered during the year as per Form AOC-2 is enclosed as Annexure-D.

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

### EXTRACT OF ANNUAL RETURN :

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

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

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

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

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

S. No	Name	Designation	Remuneration paid FY 2016-17 (₹ in lakhs)	Remuneration paid FY 2015-16 (₹ in lakhs)	Increase in (%)
1	Mr.K.Suryanarayana	Executive Chairman	39.12	39.12	0
2	Mr.Sridhar Kamineni	Managing Director (KMP)	49.44	49.44	0
3	Mr.Ch. Venkata Sastry	CFO (KMP)	8.46	8.46	0
4	Ms. Ramya Inala	CS (KMP) (Resigned on 31-03-2017)	1.76	-	0

#### 2) Particulars of Employees:

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

### DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY:

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

### ACKNOWLEDGEMENT:

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

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

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

Place : Hyderabad

Date : 25.05.2017

K SURYANARAYANA  
Chairman

**Form MR-3**  
**SECRETARIAL AUDIT REPORT**

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

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

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

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

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year commencing from 1<sup>st</sup> April, 2016 and ended 31<sup>st</sup> March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- 1 We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - b. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- 2 Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not applicable to the Company under the financial year under report:
  - a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ;
  - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

## ANNEXURE-A



- 3 We have also examined compliance with the applicable clauses of the following:
- Secretarial Standards issued by the Institute of Company Secretaries of India
  - Listing Regulations and uniform Listing Agreement entered into by the company with the BSE Ltd and National Stock Exchange of India Limited and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 made effective 1<sup>st</sup> December, 2015.
- 4 During the period under review, the Company has complied with the provisions of the Companies Act, 2013, Companies Act, 1956 to the extent applicable and Rules, Regulations, Guidelines, Standards, in respect of the above.
- 5 We further report that:
- ☐ The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act 2013.
  - ☐ Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
  - ☐ majority decision is carried through while the dissenting member's view, if any are captured and recorded as part of the minutes.
6. We further report that, as per the explanations given to us and the representations made by the Management and relied upon by us, 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.
7. We further report that, during the audit period, there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines etc. having major bearing on the Company's affairs.

### List of Labour & Industrial Laws applicable:

1. Factories Act, 1948;
2. Industrial Disputes Act, 1947;
3. The Payment of wages Act, 1936;
4. The Minimum Wages Act, 1948;
5. The Employees Compensation Act, 1923;
6. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952;
7. The Payment of Bonus Act, 1965;
8. Equal Remuneration Act, 1976;
9. The Environment (Protection) Act, 1986;
10. The water (Prevention & Control of Pollution) Act, 1974;
11. Acts as prescribed under Direct tax and Indirect Tax;
12. Land Revenue laws of the State of Telangana
13. Labour Welfare Act of the State of Telangana
14. The Hazardous waste (Management, Handling and Transboundary Movement) Rules, 2008.

For **MANJULA ALETI**  
Company Secretary in Practice

Place : Hyderabad  
Date : 25.05.2017

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

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

## ANNEXURE-A



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

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

### **Management Responsibility:**

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

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

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

### **Disclaimer :**

6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **MANJULA ALETI**  
Company Secretary in Practice

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

Place : Hyderabad  
Date : 25.05.2017



## ANNEXURE-B



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

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

#### (A) Conservation of Energy :

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

#### (B) Technology absorption :

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

#### Expenditure on R& D

(₹ In lakhs)

S.No.	Particulars	2016-17	2015-16
A	Capital	-	22.35
B	Recurring	-	41.52
C	Total	-	63.87
D	Total R&D expenditure as a percentage of total turnover	-	0.39%

#### (C) Foreign exchange earnings and Outgo :

The Foreign Exchange outgo and foreign exchange earned by the Company during the year are detailed in Note No.33, 36 and 37 of other Notes to the Financial Statements.



## ANNEXURE-C



### CORPORATE SOCIAL RESPONSIBILITY

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

#### ANNEXURE

1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	:	The CSR Committee decided to spend amount under Healthcare and Education activities during the year 2016-167 <b>Weblink:</b> www.octiindia.com under investors/policy documents/CSR Policy link.
2.	The Composition of the CSR Committee.	:	All the Members of CSR Committee are Independent Directors. Dr. T S Sethurathnam - Chairman Mr. K V Ravindra Reddy - Member Mr. A P Vitthal - Member
3.	Average net profit of the company for last three financial years	:	Average net profit of ₹ 2,02,30,468/-
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	:	₹ 4,04,609/-
5.	A. Carry forward CSR Amount FY 2015-16 B. CSR during the FY 2016-17 C. CSR spent during the FY 2016-17 D. Un spent amount as on FY 2016-17 (A+B-C)	:	₹ 6,00,227/- ₹ 4,04,609/- ₹ Nil (Since there is no adequate cash flow) ₹ 10,04,836/-

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

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

**ANNEXURE-D**

**FORM NO. AOC-2**  
**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and**  
**Rule 8(2) of the Companies (Accounts) Rules, 2014.**

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

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

S.No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Nil
b)	Nature of contracts/arrangements/transaction	Nil
c)	Duration of the contracts/arrangements /transaction	Nil
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
e)	Justification for entering into such contracts or arrangements or transactions'	Nil
f)	Date of approval by the Board	Nil
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Nil

**2. Details of contracts or arrangements or transactions at Arm's length basis.**

S.No.	Particulars	Details
a)	Name (s) of the related party	USAI Forge (P) Ltd
b)	Nature of Relationship	One of the Director is interested
c)	Nature of contracts / arrangements /transaction	By Agreement
d)	Duration of the contracts/ arrangements / transaction	01-04-2015 to 31-03-2018
e)	Salient terms of the contracts or arrangements or transaction	Material Purchase
f)	Justification for entering into such contracts or arrangements or transactions	Ordinary course of business and arm's length transaction
g)	Date of approval by the Board	29-01-2015
h)	Amount incurred during the year (Rs. In lakhs)	Nil

**ANNEXURE-E****EXTRACT OF ANNUAL RETURN  
FORM NO. MGT 9****as on financial year ended on 31.03.2017**(Pursuant to Section 92 (3) of the Companies Act, 2013 and  
Rule 12(1) of the Companies (Management & Administration ) Rules, 2014)**I. REGISTRATION & OTHER DETAILS :**

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

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

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

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

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

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

## ANNEXURE-E



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

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

# ANNEXURE-E



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>B. PUBLIC SHAREHOLDING</b>										
<b>(1) Institutions</b>										
a) Mutual Funds	2,930	27,300	30,230	0.07	2,930	27,200	30,130	0.07	(100)	0
b) Banks/FI	1,400	24,800	26,200	0.06	1,000	26,400	27,400	0.06	1200	0.002
C) Central Govt.	0	0	0	0	0	0	0	0	0	0
d) State Govt.	0	1,600	1,600	0	0	0	0	0	(1600)	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0	0
g) FIIS	25,400	0	25400	0.06	5,400	0	5,400	0.01	(20000)	(0.05)
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (B)(1):</b>	<b>29,730</b>	<b>53,700</b>	<b>83,430</b>	<b>0.19</b>	<b>9,330</b>	<b>53,600</b>	<b>62,930</b>	<b>0.14</b>	<b>(20,500)</b>	<b>(0.05)</b>
<b>(2) Non Institutions</b>										
a) Bodies Corporates	14,42,697	19911	14,62,608	3.30	11,85,916	19,711	12,05,627	2.72	(2,56,981)	(0.58)
b) Individuals										
l) individual shareholders holding nominal share capital upto Rs.1 lakhs	63,33,403	21,28,244	84,61,647	19.11	58,09,091	20,82,474	78,91,565	17.82	(5,70,082)	(1.29)
li) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	23,96,297	0	23,96,297	5.41	31,47,607	0	31,47,607	7.11	7,51,310	1.70
c) Any Other (specify) NRIs	16,88,428	3,01,589	19,90,017	4.49	17,91,791	2,94,479	20,86,270	4.71	96,253	0.22
d) Foreign Bodies Corporate	65,99,100	14,97,000	80,96,100	18.28	65,99,100	14,97,000	80,96,100	18.28	0	0
<b>SUB TOTAL (B)(2):</b>	<b>1,84,59,925</b>	<b>39,46,744</b>	<b>2,24,06,669</b>	<b>50.59</b>	<b>1,85,33,505</b>	<b>38,93,664</b>	<b>2,24,27,169</b>	<b>50.64</b>	<b>20,500</b>	<b>0.05</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>1,84,89,655</b>	<b>40,00,444</b>	<b>2,24,90,099</b>	<b>50.78</b>	<b>1,85,42,835</b>	<b>39,47,264</b>	<b>2,24,90,099</b>	<b>50.78</b>	<b>0</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>4,02,89,086</b>	<b>41,22,652</b>	<b>4,42,89,530</b>	<b>100.00</b>	<b>4,03,42,266</b>	<b>41,57,616</b>	<b>4,42,89,530</b>	<b>100.00</b>	<b>0</b>	<b>0</b>

## ANNEXURE-E



### (ii) SHARE HOLDING OF PROMOTERS :

SI No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	M/s United Steel Allied Industries (P) Ltd.,	1,44,89,165	32.72	0	1,44,89,165	32.72	0	0
2	M/s Kamineni Health Services (P) Ltd.,	100,000	0.23	0	100,000	0.23	0	0
3	Mr.K Suryanarayana	2,400,600	5.42	0	3600	0.008	0	(5.412)
4	Mrs. K Indira	210,000	0.47	0	210,000	0.47	0	0
5	Dr. K Shashidhar	349,000	0.80	0	5,000	0.01	0	(0.79)
6	Mrs. K Satya Sree	416,000	0.94	0	624,000	1.41	0	0.47
7	Mrs. B Ushasree	624,000	1.41	0	624,000	1.41	0	0
8	Mr. K Sridhar	399,666	0.90	0	4,666	0.01	0	(0.89)
9	Mrs. K Vasundhara	280,000	0.63	0	280,000	0.63	0	0
10	Mrs. K Seemanthini	210,000	0.47	0	624,000	1.41	0	0.94
11	Mrs. K Gayatri Devi	276,000	0.63	0	671,000	1.515	0	0.885
12	Ms. Sri Puja Kamineni	250,000	0.56	0	499,000	1.127	0	0.567
13	Ms. Pavani Bandaru	280,000	0.63	0	499,000	1.127	0	0.497
14	Ms. K Bhargavi	275,000	0.62	0	671,000	1.515	0	0.895
15	Mr. B Sri Aditya	260,000	0.59	0	499,000	1.127	0	0.537
16	Mr. Sai Surya Kiran Kamineni	250,000	0.56	0	499,000	1.127	0	0.567
17	Ms. K Sri Vaishnavi	250,000	0.56	0	499,000	1.127	0	0.567
18	Ms. K Indira Devi	240,000	0.54	0	499,000	1.127	0	0.587
19	Mr. K Siva Surya Teja	240,000	0.54	0	499,000	1.127	0	0.587
	<b>Total</b>	<b>2,17,99,431</b>	<b>49.22</b>		<b>2,17,99,431</b>	<b>49.22</b>	<b>0</b>	<b>0</b>

## ANNEXURE-E



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

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

### (iv) Shareholding Pattern of top ten Shareholders

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	UMW India Ventures (I) Ltd	6599100	14.90	6599100	14.90
2	Tam Trade Ltd	1497000	3.38	1497000	3.38
3	Kumar Lalchand Gandhi	908800	2.05	908800	2.05
4	Raj Kuraparti Reddy	339527	0.77	339527	0.77
5	Gajendrakumar Punamchand Malu	318108	0.72	318108	0.72
6	Venkat Annapareddy	243985	0.55	243985	0.55
7	Mrigank Dhanuka	0	0	234874	0.53
8	Chandra Kumar Dhanuka	0	0	205000	0.46
9	Venkata Krishna Rao Attaluri	195969	0.44	195969	0.44
10	M Srinivasa Rao	188000	0.42	188000	0.42



## ANNEXURE-E



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

Sl. No.	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1.	<b>Shareholding of Key Managerial Personnel :</b>				
	<b>Mr. Sridhar Kamineni</b>				
	At the beginning of the year	3,99,666	0.90	3,99,666	0.90
	Transfer to Promoter Group	3,95,000	0.89	3,95,000	0.89
	At the end of the year	4,666	0.01	4,666	0.01
2.	<b>Mr.Ch Venkata Sastry</b>				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil
3.	<b>Shareholding of Directors :</b>				
	<b>Mr.K.Suryanarayana</b>				
	At the beginning of the year	24,00,600	5.42	24,00,600	5.42
	Transfer to Promoter Group	23,97,000	5.412	23,97,000	5.412
	At the end of the year	3,600	0.008	3,600	0.008
4.	<b>Dr. T S Sethurathnam</b>				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil
5.	<b>Mr.K.V.Ravindra Reddy</b>				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil
6.	<b>Mr. A P Vitthal</b>				
	At the beginning of the year	2,500	0.006	2,500	0.006
	At the end of the year	2,500	0.006	2,500	0.006
7.	<b>Mrs. K. Indira</b>				
	At the beginning of the year	2,10,000	0.47	2,10,000	0.47
	At the end of the year	2,10,000	0.47	2,10,000	0.47

## ANNEXURE-E



### V. INDEBTEDNESS :

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

(₹ In lakhs)

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

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

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

(₹ In lakhs)

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

## ANNEXURE-E



### B) Remuneration to other directors :

(₹ In lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Dr. T S Sethurath nam	Mr. K V Ravindra Reddy	Mr. A P Vitthal	Mrs. K Indira	
1.	Independent Directors • Fee for attending board committee meetings • Commission • Others, please specify	1.65	1.32	1.59	-	4.56
	<b>Total (1)</b>	<b>1.65</b>	<b>1.32</b>	<b>1.59</b>	<b>-</b>	<b>4.56</b>
2.	Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify	-	-	-	1.05	1.05
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.05</b>	<b>1.05</b>
	<b>Total (B) = (1 + 2)</b>	<b>1.65</b>	<b>1.32</b>	<b>1.59</b>	<b>1.05</b>	<b>5.61</b>

### C) Remuneration To Key Managerial Personnel Other Than MD/Manager/WT D :

(₹ In lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	1.76	8.46	10.22
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify	-	-	-
	<b>Total</b>	<b>1.76</b>	<b>8.46</b>	<b>10.22</b>

\* Ms. Ramya Inala, Company Secretary remuneration paid upto 31.03.2017 Rs.1.76 lakhs

**ANNEXURE-E****VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :**

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



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

The Company achieved revenue of ₹ 7.29 Crores from operations during the current year as against ₹ 152.06 Crores during the previous year. Exports during the year has been ₹ 5.27 Crores as compared to ₹ 127.71 Crores during the previous year.

The Worldwide Rig Count as of March 31, 2017 stood at 1985 as compared to 1551 as of March 31, 2016. The Rig Count in the US is on the rise since the middle of 2016. With the increase in the deployment of Rigs for both Oil and Gas and the increase in the crude oil prices averaging at 50 USD / barrel, the requirement of Drill Pipes, Casing and Tubing have started to gradually increase.

The Exploration and Drilling activities in India continue to remain at steady levels irrespective of the Crude Oil prices and the number of Rigs deployed is around 115. More drilling and exploration activities are expected with the rise in the Crude Oil prices, thereby leading to an increase in the requirement of the Tubulars.

The Company is hopeful of the Operations coming back to normalcy in the coming months. Over the past two decades, the Company has built up its reputation for the quality of the products being manufactured and has been successful in retaining its Customers and enhancing the Customer base.

The Government of India issued Notification No.7/2017-Customs (ADD) dated 17<sup>th</sup> February, 2017 imposing Anti-Dumping Duty on the tubular products originating from China. Minimum Import Prices have been imposed on the Casing, Tubing and Drill Pipe and other tubular products to protect the Domestic Industry from injury. The ADD is applicable for five years, which will help the Domestic Industry in the International Competitive Bids floated by Oil And Natural Gas Corporation Limited and Oil India Limited.

The Government of India under its Make in India Policy is formulating rules and procedures to give a push to the domestic industry. Government of India is expected to announce major policy changes involving compulsory value addition - mandating and incentivizing use of local components in every industry and every procurement area which includes Oil and Gas Sector.

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

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

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

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

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

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

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

## MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT



Normal foreseeable risks of the Company's assets are adequately covered by comprehensive insurance. Risk assessments, inspections and safety audits are carried out periodically.

### c) Financial and Operational Performance :

The Highlights of Financial Operational Performance are given below :

(₹ In lakhs)

S.No.	Particulars	2016-17	2015-16
1	Sales / income from operations	728.78	15206.47
2	Other Income	539.26	1205.56
3	Sub-total	1268.04	16412.03
4	Total Expenditure (Before interest)	4186.97	15930.73
5	Profit/(Loss) Before Interest, Tax and Exceptional Items	(2918.93)	481.30
6	Operating Margin %	-400.52%	3.17%
7	Loss After Tax and Exceptional Items	(8395.89)	(659.76)
8	Return on Average Capital Employed % (Before Interest and Tax)	-14.70%	1.86%
9	No. of Months Receivables (Receivables / Sales X 12)	1.87	0.13
10	Current Ratio (Current Assets / Current Liabilities)	0.63	0.76
11	Borrowings : Equity Ratio (TL / Equity)	0.00	0.00

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

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

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

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

### f) Cautionary Statement :

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

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

Place : Hyderabad  
Date : 25.05.2017

K SURYANARAYANA  
Chairman

## REPORT ON CORPORATE GOVERNANCE



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

### 1) Company's Philosophy :

The Company's policies, practices and philosophy adopted since inception are in line with Corporate Governance. These policies, practices are required periodically to ensure its effective compliance. The composition of Board of Directors is well balanced with a view to manage the affairs of the Company efficiently and professionally. The Company's philosophy is to produce OCTGs and other Drilling Products of high quality conforming to the International Standards and provide satisfaction to all stakeholders including customers, shareholders and employees.

### 2) Board of Directors

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

#### (i) Composition and Category of Directors as of March 31, 2017 is as follows :

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

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

The Board of Directors duly met 5 times during the financial year from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017. The dates on which the meetings were held are as follows :

26<sup>th</sup> May, 2016, 28<sup>th</sup> July, 2016, 1<sup>st</sup> September, 2016, 10<sup>th</sup> November, 2016, and 9<sup>th</sup> February, 2017.

#### (iii) Attendance of each Director at the Board Meetings and the last AGM held on 01.09.2016 :

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



## REPORT ON CORPORATE GOVERNANCE



### (iv) Particulars of Directorships of other Companies

#### OTHER DIRECTORSHIPS AS OF MARCH 31, 2017

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

### v) No. of other Board Committees they are Members / Chairman as on March 31, 2017

Audit Committee	Stakeholders Relationship Committee	Nomination and Remuneration Committee	Corporate Social Responsibility Committee
Dr. T S Sethurathnam Chairman	Mr. K V Raivindra Reddy Chairman	Dr. T S Sethurathnam Chairman	Dr. T S Sethurathnam Chairman
Mr. K V Raivindra Reddy Member	Dr. T S Sethurathnam Member	Mr. K V Raivindra Reddy Member	Mr. K V Raivindra Reddy Member
Mr. A P Vitthal Member	Mr. A P Vitthal Member	Mr. A P Vitthal Member	Mr. A P Vitthal Member

### 3) Independent Directors :

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



#### **Training of Independent Directors :**

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

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

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

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

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

The Independent Directors held a Meeting on 9th February, 2017 without the attendance of Non-Independent Directors and members of Management. All the Independent Directors were present at the meeting. The following issues were discussed in detail :

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

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

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

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

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

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

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

During the year the Committee had 4 Meetings i.e. On 26<sup>th</sup> May, 2016, 28<sup>th</sup> July, 2016, 10<sup>th</sup> November, 2016 and 9<sup>th</sup> February, 2017

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

Name of the Director	Position	No. of Meetings held	No. of Meetings Attended
Dr. T S Sethurathnam	Chairman	4	4
Mr. K V Ravindra Reddy	Member	4	3
Mr. A P Vitthal	Member	4	4

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



## 5. Nomination and Remuneration Committee :

### i) Terms of reference :

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

### ii) Composition :

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

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

During the year the Committee had 1 meeting i.e., 10<sup>th</sup> November, 2016.

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

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

## 6. Corporate Social Responsibility Committee (CSR) :

### i) Terms of reference :

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

### ii) Composition :

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

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

During the year the Committee had 1 meeting i.e., 9<sup>th</sup> February, 2017.

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

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

## 7. Stakeholders Relationship Committee :

### i) Terms of reference :

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

### ii) Composition of the Committee :

The following Committee of Directors looks after the Investor Grievances :



Mr. K V Ravindra Reddy - Chairman

Dr. T S Sethurathnam - Member

Mr. A.P. Vitthal - Member

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

During the year the 4 Stakeholders Relationship Committee Meetings were held i.e., on 26<sup>th</sup> May, 2016, 28<sup>th</sup> July, 2016, 10<sup>th</sup> November, 2016 and 9<sup>th</sup> February, 2017.. The attendance of the Members at the meeting was as under :

Name of the Director	Position	No. of Meetings held	No. of Meetings Attended
Mr. K V Ravindra Reddy	Chairman	4	3
Dr. T S Sethurathnam	Member	4	4
Mr. A P Vitthal	Member	4	3

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

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

**Shareholder's Services :**

S.No.	Nature of Complaints	2016-17		2015-16	
		Received	Answered	Received	Answered
1.	Non receipt of Shares lodged for Demat	-	-	-	-
2.	Non receipt of Dividend Warrants	6	6	14	14
3.	Others	-	-	3	3

**8. General Body Meetings :**

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

Year	Date	Venue	Time	Special Resolution
2013-14	05.06.2014	Taj Mahal Hotel 2nd Floor Akshaya Hall 4-1-999, Abids Road, Hyderabad - 500 001	10.00 A.M.	Re-appointment of Executive Chairman, Whole time Director and Independent Directors
2014-15	04.06.2015	Taj Mahal Hotel 2nd Floor Akshaya Hall 4-1-999, Abids Road, Hyderabad - 500 001	10.00 A.M.	Re-appointment of Managing Director, Appointment of Non-executive, Non Independent Director and appointment of Independent Directors
2015-16	01.09.2016	Taj Mahal Hotel 2nd Floor Akshaya Hall 4-1-999, Abids Road, Hyderabad - 500 001	10.00 A.M.	NIL

No Postal Ballot was conducted during the year.

Extraordinary General Meetings - Nil.



**9) Disclosures :**

**i) Related Party transaction during the year :**

(₹ in Lakhs)

S.No.	Particulars of the party	Relationship	Nature of Transactions	Amount	
				2016-17	2015-16
A	United Steel Allied Industries Private Limited	One of the Director is interested	Office Rent (incl. Service Tax)	-	436.12
B	USAI Forge Private Limited	One of the Director is interested	Sale / Material Purchase	-	1088.82

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

S.No.	Name of the Director	Relationship With other Directors
1	Mr. K Suryanarayana	Related to Mr.Sridhar Kamineni & Mrs.K.Indira
2	Mr. Sridhar Kamineni	Related to Mr. K Suryanarayana & Mrs.K.Indira
3	Mrs. K Indira	Related to Mr. K Suryanarayana & Mr. Sridhar Kamineni
4	Dr. T S Sethurathnam	None
5	Mr. K V Ravindra Reddy	None
6	Mr. A P Vitthal	None

**ii) Cases of Non-Compliances:**

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

**10) Means of Communication:**

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

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

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

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

AGM date, time and venue : Thursday, the 10<sup>th</sup> August, 2017  
At 10.00 A.M.  
Taj Mahal Hotel  
2nd Floor, Akshaya Hall  
4-1-999, Abids Road  
Hyderabad - 500 001



Financial Year	:	1 <sup>st</sup> April, 2016 to 31 <sup>st</sup> March, 2017
Book Closure Date	:	7.08.2017 to 10.08.2017 (Both Days Inclusive)
Listing on Stock Exchanges	:	A) Bombay Stock Exchange Ltd B) National Stock Exchange of India Ltd
Stock Code	:	BSE : 500313 NSE : OILCOUNTUB
ISIN	:	INE591A01010

The Company has paid listing fees for the year 2017-18 to both the above stock exchanges.

**13) Market Price Data:**

Monthly High and Low quotations along with the volume of shares traded at National Stock Exchange of India Ltd., & Bombay Stock Exchange Ltd., during the financial year 2016-17:

Month & Year	NSE			BSE		
	High ₹	Low ₹	Volume	High ₹	Low ₹	Volume
April, 2016	30.90	23.55	4,14,308	31.60	23.80	4,30,806
May, 2016	34.15	25.75	3,66,488	33.00	26.30	4,51,884
June, 2016	33.20	27.60	4,01,433	33.00	27.35	2,65,685
July, 2016	37.30	28.70	22,18,103	37.20	29.00	7,92,617
August, 2016	35.90	24.60	22,72,433	35.40	24.70	10,62,117
September, 2016	37.80	30.00	17,51,478	36.90	29.85	10,18,205
October, 2016	37.30	32.05	13,59,099	37.25	32.20	4,76,518
November, 2016	37.50	27.00	15,37,249	37.40	27.15	4,61,044
December, 2016	44.75	34.10	55,67,121	44.70	33.50	14,33,938
January, 2017	61.65	36.15	70,11,617	61.80	36.70	22,68,166
February, 2017	59.00	39.85	5,75,770	58.90	39.40	2,38,543
March, 2017	51.00	42.00	5,47,144	50.80	42.20	1,84,940
<b>Total</b>			<b>2,40,22,243</b>			<b>90,84,463</b>

**14) Unclaimed Dividend Amounts:**

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

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

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

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



Financial Year	Date of Declaration for Dividend	Amount outstanding as on 31.03.2017 (₹ In Lakhs)	Due for transfer to IEPF on
2009-10	27-05-2010	5,585,782	02-07-2017
2010-11	28-05-2011	5,567,958	08-07-2018
2011-12	29-05-2012	3,066,318	07-07-2019
2012-13	30-05-2013	3,037,660	10-07-2020
2013-14	05-06-2014	2,900,096	09-07-2021

Unclaimed dividend for the year(s) 2010-11, 2011-12, 2012-13 and 2013-14 are held in separate Bank accounts and shareholders who have not received the dividend / encashed the warrants are advised to write to the Company with complete details. During the year, the Company has transferred unclaimed dividend amount of ₹ 47,60,382/- on 06.07.2016 out of dividend declared for the financial year 2008-09 to Investor Education and Protection Fund (IEPF) of the Central Government required under Section 125 of the Companies Act, 2013..

The Unclaimed Dividend Amount for the year 2009-10 is to be transferred to Investor Education and Protection Fund (IEPF) when it is determined in the month of July, 2017 on the completion of (7) seven years. Members may please note that if dividend remains unpaid or unclaimed for a period of (7) seven years from the date when it is transferred to unpaid dividend accounts it shall be transferred to the IEPF as stated above.

#### 15) Registrar and Transfer Agents :

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

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

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

#### 16) Share Transfer System:

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

Particulars	2016-17	2015-16
Shares Transferred	10,830	9,740
Total No. of shares as on 31st March, 2017	4,42,89,530	4,42,89,530
% on Share Capital	0.02	0.02

#### 17) Shareholding Pattern as on 31st March, 2017

Category	No. of Share Holders	No. Of Shares Held	% of Share Holding
Promoters	19	21799431	49.22
Companies	401	1205627	2.72
Fils	1	5400	0.01
OCBs and NRIs	498	10182370	22.99
Mutual Funds, Banks, others	15	57530	0.13
Individuals	31261	11039172	24.93
Total	32195	44289530	100.00





**18) Distribution of Share Holdings:**

No. of Equity Shares Held	As on 31.03.2017				As on 31.03.2016			
	No. of share holders	% of Share holders	No. of Shares	% of Share holding	No. of share holders	% of Share holders	No. of Shares	% of Share holding
1-500	29579	91.87	3994442	9.02	30658	91.54	42127850	9.51
501-1000	1446	4.50	1182348	2.67	1538	4.59	12528130	2.83
1001-2000	557	1.73	855990	1.93	645	1.93	9905680	2.24
2001-3000	225	0.70	572507	1.29	234	0.70	5953810	1.34
3001-4000	69	0.21	247192	0.56	87	0.26	3162440	0.71
4001-5000	80	0.25	381025	0.86	82	0.24	3851660	0.87
5001-10000	116	0.36	855465	1.93	123	0.37	8778400	1.98
10001 and above	123	0.38	36200561	81.74	126	0.38	356587330	80.51
<b>Total</b>	<b>32195</b>	<b>100.00</b>	<b>44289530</b>	<b>100.00</b>	<b>33493</b>	<b>100.00</b>	<b>44289530</b>	<b>100.00</b>

**19) Shareholding Profile:**

Mode of Holding	As on 31st March, 2017			As on 31st March, 2016		
	No. of holders	No. of Shares	% to Equity	No. of holders	No. of Shares	% to Equity
Demat	16854	40342266	91.09	17910	40289086	90.97
Physical	15341	3947264	8.91	15583	4000444	9.03
<b>Total</b>	<b>32195</b>	<b>44289530</b>	<b>100.00</b>	<b>33493</b>	<b>44289530</b>	<b>100.00</b>

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

We have no GDRs/ADRs or any commercial instrument.

**21) Plant Locations** : Sreepuram,  
Narketpally Mandalam  
Nalgonda Dist - 508254 (T.G)

**22) Address of Registered Office** : "Kamineni" 3rd Floor, King Koti  
Hyderabad - 500 001 (T.G)  
Tel.No : 040-2478 5555  
Fax No : 040-2475 9299

**23) Annual Compliance with the Code of Conduct for the Financial Year 2016-2017**

Pursuant to Regulation 17(5) read with Schedule V (Part D) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, I hereby confirm that the Company has received affirmations on compliance with the Code of Conduct for the financial year ended March 31, 2017 from all the Board Members and Senior Management Personnel.



**24) Risk Management:**

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

**25) Prevention of Insider Trading:**

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

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

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

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

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

**28) CEO / CFO Certification:**

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

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

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

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

**K SURYANARAYANA**  
Chairman

Place : Hyderabad

Date : 25.05.2017



## CEO AND CFO CERTIFICATION

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

- a) We have reviewed the financial statements and cash flow statement for the year ended 31<sup>st</sup> March, 2017 and to the best of our Knowledge and belief:
  - i) These Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii) These Statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our Knowledge and belief, no transactions entered into by the Company during the year ended 31<sup>st</sup> March, 2017 are fraudulent, illegal or violate the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
  - i) There has not been any significant change in internal control over financial reporting during the year under reference.
  - ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements.
  - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

**SRIDHAR KAMINENI**

Managing Director

**CH. VENKATA SASTRY**

Chief Financial Officer

Place : Hyderabad

Date : 25.05.2017

## AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

### The Members of Oil Country Tubular Limited

We have examined the compliance of conditions of Corporate Governance by Oil Country Tubular Ltd., for the year ended 31<sup>st</sup> March, 2017 as stipulated in Chapter IV of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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

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

We state that in respect of investor grievances received during the year ended 31<sup>st</sup> March, 2017, no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders Committee.

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

**For C K S ASSOCIATES**

Chartered Accountants

FRN 007390S

**N V S SRIKRISHNA**

Partner

M.No.25139

Place : Hyderabad

Date : 25.05.2017

# AUDITOR'S REPORT



## To the Members of OIL COUNTRY TUBULAR LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of OIL COUNTRY TUBULAR LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) in the case of Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure – 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) (i) of the Companies Act, 2013, we given in Annexure – 2, the report on Internal Financial Controls over Financial Reporting.
3. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, 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 written representations received from the Directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the 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,
    - ii. In our opinion and as per the information and explanations provided to us, the Company has not entered into any long-term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses, and
    - iii. There has been no delay in transferring the amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

**For C K S ASSOCIATES**  
Chartered Accountants  
FRN 007390S

**N V S SRIKRISHNA**  
Partner  
M.No.25139

Place : Hyderabad  
Date : May 25, 2017

## AUDITOR'S REPORT



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

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

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

Nature of the Statute & Nature of due	Amount ₹	Assessment Year	Forum where litigation is pending
Interest expenditure disallowed by Income Tax Department u/s 14A of the Income Tax Act, 1961 read with Rule 8D of the Income tax Rules, 1962, disputed by the Company.	5,860,400	2013-14	CIT (Appeal), Hyderabad- 4

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

**For C K S ASSOCIATES**  
Chartered Accountants  
FRN 007390S

**N V S SRIKRISHNA**  
Partner  
M.No.25139

Place : Hyderabad  
Date : May 25, 2017



## AUDITOR'S REPORT



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

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

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

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

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

#### Auditors' Responsibility

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

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

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

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

#### Opinion

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

**For C K S ASSOCIATES**  
Chartered Accountants  
FRN 007390S

**N V S SRIKRISHNA**  
Partner  
M.No.25139

Place : Hyderabad  
Date : May 25, 2017

# BALANCE SHEET



BALANCE SHEET AS AT MARCH 31, 2017				(₹ in Lakhs)
Particulars	Note No.	31.03.2017	31.03.2016	
<b>I. EQUITY AND LIABILITIES</b>				
<b>(1) SHAREHOLDERS' FUNDS</b>				
a) Share Capital	1	4,428.95	4,428.95	
b) Reserves and surplus	2	11,308.65	19,704.54	
		<b>15,737.60</b>	<b>24,133.49</b>	
<b>(2) NON-CURRENT LIABILITIES</b>				
a) Deferred Tax liabilities (Net)	3	1,980.00	3,736.32	
b) Long Term Provisions	4	79.49	58.99	
		<b>2,059.49</b>	<b>3,795.31</b>	
<b>(3) CURRENT LIABILITIES</b>				
a) Short Term Borrowings	5	14,078.86	13,085.59	
b) Trade payables	6	2,813.57	2,347.31	
c) Other current liabilities	7	852.36	273.21	
d) Short Term Provisions	8	23.05	90.03	
		<b>17,767.84</b>	<b>15,796.14</b>	
<b>TOTAL</b>		<b>35,564.93</b>	<b>43,724.94</b>	
<b>II. ASSETS</b>				
<b>(1) NON-CURRENT ASSETS</b>				
(a) Fixed Assets	9			
i Tangible Assets		23,689.00	25,876.70	
ii Intangible Assets		12.29	64.26	
(b) Non-Current Investments	10	0.00	5,220.40	
(c) Long Term Loans and Advances	11	581.45	584.58	
(d) Other Non Current Assets	12	0.75	8.08	
		<b>24,283.49</b>	<b>31,754.02</b>	
<b>(2) CURRENT ASSETS</b>				
(a) Inventories	13	9,760.23	10,415.09	
(b) Trade receivables	14	113.64	163.27	
(c) Cash and Bank Balances	15	722.98	505.69	
(d) Short term Loans and advances	16	664.62	863.09	
(e) Other Current Assets	17	19.97	23.78	
		<b>11,281.44</b>	<b>11,970.92</b>	
<b>TOTAL</b>		<b>35,564.93</b>	<b>43,724.94</b>	

Refer Accompanying Notes to Financial Statements

Per our report attached  
for **C K S ASSOCIATES**  
Chartered Accountants  
(FRN 007390S)

**N.V.S.SRIKRISHNA**  
Partner  
M.No.25139

Place : Hyderabad  
Date : May 25, 2017

For and on behalf of the Board of Directors

**K.SURYANARAYANA**  
Chairman  
DIN : 00078950

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

**SRIDHAR KAMINENI**  
Managing Director  
DIN : 00078815

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

**K. INDIRA**  
Director  
DIN : 00332194

**A P VITTHAL**  
Director  
DIN : 00061080



# PROFIT AND LOSS ACCOUNT



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017				(₹ in Lakhs)
Particulars	Note No.	31.03.2017	31.03.2016	
<b>I REVENUE</b>				
Revenue from Operations	18	728.78	15,206.47	
Other Income	19	539.26	1,205.56	
<b>Total Revenue</b>		<b>1,268.04</b>	<b>16,412.03</b>	
<b>II EXPENSES</b>				
Cost of Materials Consumed	20	229.53	9,243.74	
Changes in Inventories of Finished Goods and Work-in-Progress	21	286.00	(1,620.93)	
Employee Benefits Expense	22	1,115.75	1,834.74	
Finance Costs	23	1,829.25	1,731.00	
Depreciation and Amortization Expenses	9	2,239.67	2,323.46	
Other Expenses	24	685.16	4,149.72	
<b>III Total Expenses</b>		<b>6,385.36</b>	<b>17,661.73</b>	
<b>IV Loss Before Prior Period Adjustments and Exceptional Items</b>		<b>5,117.32</b>	<b>1,249.70</b>	
Prior Period Adjustments (Net)		(369.14)	0.00	
Exceptional Items - Provision for Diminution in Investment		5,220.40	0.00	
<b>V Tax Expense:</b>				
1 Current Tax		0.00	0.00	
2 Tax Pertaining to Earlier years		183.63	0.00	
3 Deferred Tax Liability written back		(1,756.32)	(589.93)	
		<b>(1,572.69)</b>	<b>(589.93)</b>	
<b>VI Loss After Tax for the Year</b>		<b>8,395.89</b>	<b>659.77</b>	
<b>VII Earnings Per Share:</b>				
Par Value per Share ₹ 10/-				
a) Basic		(18.96)	(1.49)	
b) Diluted		(18.96)	(1.49)	
<b>Refer Accompanying Notes to Financial Statements</b>				

Per our report attached  
for **C K S ASSOCIATES**  
Chartered Accountants  
(FRN 007390S)

**N.V.S.SRIKRISHNA**  
Partner  
M.No.25139

Place : Hyderabad  
Date : May 25, 2017

For and on behalf of the Board of Directors

**K.SURYANARAYANA**  
Chairman  
DIN : 00078950

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

**SRIDHAR KAMINENI**  
Managing Director  
DIN : 00078815

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

**K. INDIRA**  
Director  
DIN : 00332194

**A P VITTHAL**  
Director  
DIN : 00061080

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

The Financial Statements are prepared on going concern assumption and under the historical cost convention, except for certain fixed assets which are revalued in accordance with Generally Accepted Accounting Principles in India and the provisions of the Companies Act, 2013.

**B) Use of Estimates:**

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

**C) Fixed Assets:**

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

**D) Investments:**

Investments in Un-Quoted Shares are stated at Cost. Provision is made for any diminution, other than temporary, in the value of such investments.

**E) Depreciation:**

Depreciation is systematically allocated over the useful life of an asset as specified in part C of schedule II of Companies Act, 2013.

**F) Impairment of Asset:**

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

**G) Inventories:**

Items of inventories are valued at lower of cost or net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. Cost of raw material is determined on weighted average method. Scrap is valued at estimated realisable value.

**H) Foreign Currency Transactions:**

Foreign Currency Transactions are recorded at the exchange rates prevailing at the transaction date. Current Assets and Current Liabilities relating to Foreign Currency Transactions remaining unsettled at the Balance Sheet date are translated at the year- end rates. The resulting gain / loss, if any, is recognised in Profit & Loss Account. As per the Notification issued by MCA, the Exchange Fluctuation arising on reporting of Long Term Foreign Currency Monetary items which is related to Depreciable Assets is charged off to Profit & Loss account.

**I) Revenue Recognition:**

Sales are recognised on the basis of despatch of goods. In respect of Export Sales, the revenue is recognised on the basis of Bill of Lading. Miscellaneous sales are recognised on the basis of despatch of goods. Other income such as interest etc., are recognised on accrual basis.

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

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

**2. Provident Fund:**

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

**3. Leave Encashment:**

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

**K) Borrowing Cost:**

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

**L) Provision for Current and Deferred Tax:**

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

**M) Research and Development:**

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

**N) Claims:**

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

## NOTES



### NOTE NO.1 : SHARE CAPITAL

(₹ in Lakhs)

	31.03.2017	31.03.2016
<b>Authorised :</b> 85,000,000 Equity Shares of par value of ₹ 10/- each	<b>8,500.00</b>	8,500.00
<b>Issued, Subscribed and Paid up:</b> At the beginning and at the end of the year 44,289,530 Equity Shares of ₹ 10 each fully paid up in Cash	<b>4,428.95</b>	4,428.95
	<b>4,428.95</b>	4,428.95

#### Disclosures:

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

	2016-17		2015-16	
Name	No. of Shares	%	No. of Shares	%
United Steel Allied Industries Private Limited	<b>14,489,165</b>	<b>32.72</b>	14,489,165	32.72
UMW India Ventures (I) Limited	<b>6,599,100</b>	<b>14.90</b>	6,599,100	14.90

### NOTE NO.2 : RESERVES AND SURPLUS

	31.03.2017	31.03.2016
<b>Capital Reserve:</b> Share Forfeiture	<b>0.65</b>	0.65
<b>Revaluation Reserve on Land</b>	<b>80.82</b>	80.82
<b>General Reserve:</b> Balance at the beginning of the year Less : Transfer to Surplus Balance at the closing of the year	<b>19,623.07</b> <b>8,395.89</b> <b>11,227.18</b>	20,282.84 659.77 19,623.07
<b>Surplus</b> Balance brought forward from previous year Add: Transfer from Statement of Profit & Loss for the year <b>Balance Available for Appropriations</b>	<b>0.00</b> <b>(8,395.89)</b> <b>(8,395.89)</b>	0.00 (659.77) (659.77)
<b>Appropriations:</b> Less: Transfer from General Reserve <b>Balance carried forward to next year</b>	<b>8,395.89</b> <b>0.00</b> <b>11,308.65</b>	659.77 0.00 19,704.54

## NOTES



### NOTE NO.3 : DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

	31.03.2017	31.03.2016
<b>Deferred Tax Liability</b>		
On Timing differences on Depreciation on Fixed Assets	11,633.14	11,933.48
<b>Deferred Tax Asset</b>		
Employee Benefits and Carried forward losses and allowances	5,911.91	1,137.37
	5,721.23	10,796.11
Deferred Tax thereon	1,980.00	3,736.32
Less: Provided for in the Previous Years	3,736.32	4,326.25
<b>Deferred Tax Written Back</b>	<b>(1,756.32)</b>	<b>(589.93)</b>

#### Disclosures:

The Company has provided for Deferred Tax in accordance with the Accounting Standard on "Accounting for Taxes on Income" (AS 22) issued by the Institute of Chartered Accountants of India. The details of deferred tax assets and liabilities of the Company as on the date of Balance Sheet are as given above.

### NOTE NO.4 : LONG TERM PROVISIONS

	31.03.2017	31.03.2016
Provision for Employee benefits (Non-Funded)	79.49	58.99
	79.49	58.99

### NOTE NO.5 : SHORT TERM BORROWINGS

	31.03.2017	31.03.2016
<b>Secured:</b>		
Working Capital from Banks	14,078.86	13,085.59
	14,078.86	13,085.59

## NOTES



### Disclosures

Working Capital taken from various banks the details of which are as follows:

(₹ in Lakhs)

Particulars	Period of maturity with reference to Balance Sheet date	Number of Instalments outstanding	Outstanding amount (₹)	Rate of Interest	Overdue amount and period
1. State Bank of Hyderabad Cash Credit	Renewable	-	5,014.76	Base Rate plus 2.75%	Nil
2. Allahabad Bank Cash Credit	Renewable	-	4,284.63	Base Rate plus 2.75%	Nil
3. Indian Overseas Bank Cash Credit	Renewable	-	3,884.73	Base Rate plus 2.75%	Nil
4. Bank of Bahrain & Kuwait BSC Packing Credit	Renewable	-	894.74	Base Rate plus 2.75%	Nil

### Security:

Working Capital Loans are secured by hypothecation of present and future raw materials, work in progress, finished goods, stores and spares and book debts of the Company and charge on movable properties other than Processing Plant II and End Finishing facility.

### NOTE NO.6 : TRADE PAYABLES

	31.03.2017	31.03.2016
Trade Payables for Materials and Services	2,813.57	2,347.31
	2,813.57	2,347.31

### Disclosures

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

## NOTES



### NOTE NO.7 : OTHER CURRENT LIABILITIES

(₹ in Lakhs)

	31.03.2017	31.03.2016
Interest Accrued but not due	0.00	0.42
Interest Accrued and due	465.82	0.00
Advance from Customers	8.20	8.44
Unclaimed Dividends	201.58	250.41
Other Payables	176.76	13.94
	852.36	273.21

### NOTE NO.8 : SHORT TERM PROVISIONS

	31.03.2017	31.03.2016
Provision for Employee benefits	23.05	90.03
	23.05	90.03



**NOTE NO. 9 : FIXED ASSETS**

(₹ in lakhs)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	COST 01.04.2016	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	TOTAL COST AS ON 31.03.2017	UP TO 01.04.2016	FOR THE YEAR	DEDUCTIONS DURING THE YEAR	UP TO 31.03.2017	AS ON 31.03.2017	AS ON 31.03.2016
<b>1. TANGIBLE ASSETS:</b>										
Land	352.59	-	-	<b>352.59</b>	-	-	-	-	<b>352.59</b>	352.59
Buildings	7,678.80	-	-	<b>7,678.80</b>	2,376.74	332.98	-	<b>2,709.72</b>	<b>4,969.08</b>	5,302.06
Plant & Machinery	52,268.88	-	-	<b>52,268.88</b>	32,174.40	1,794.37	-	<b>33,968.77</b>	<b>18,300.11</b>	20,094.48
Furniture & Fixtures	195.58	-	-	<b>195.58</b>	161.91	10.00	-	<b>171.91</b>	<b>23.67</b>	33.67
Vehicles	81.94	-	-	<b>81.94</b>	69.23	4.49	-	<b>73.72</b>	<b>8.22</b>	12.71
Office Equipment	258.93	-	-	<b>258.93</b>	233.32	9.06	-	<b>242.38</b>	<b>16.55</b>	25.61
Data Processing Equipment	353.48	-	-	<b>353.48</b>	297.90	36.80	-	<b>334.70</b>	<b>18.78</b>	55.58
<b>TOTAL</b>	<b>61,190.20</b>	-	-	<b>61,190.20</b>	<b>35,313.50</b>	<b>2,187.70</b>	-	<b>37,501.20</b>	<b>23,689.00</b>	<b>25,876.70</b>
<b>2. INTANGIBLE ASSETS:</b>										
Computer Software	208.79	-	-	<b>208.79</b>	144.53	51.97	-	<b>196.50</b>	<b>12.29</b>	64.26
<b>TOTAL</b>	<b>61,398.99</b>	-	-	<b>61,398.99</b>	<b>35,458.03</b>	<b>2,239.67</b>	-	<b>37,697.70</b>	<b>23,701.29</b>	<b>25,940.96</b>
PREVIOUS YEAR	62,857.87	393.71	1,852.59	61,398.99	34,850.18	2,323.46	1,715.61	35,458.03	25,940.96	28,007.68

NOTES



## NOTES



### NOTE NO.10 : NON CURRENT INVESTMENTS

(₹ in Lakhs)

	31.03.2017	31.03.2016
<b>Trade Investments (Unquoted, at cost)</b>		
<b>Investments in Equity Instruments of Associate Company</b>	<b>5,220.40</b>	5,220.40
23,220,400 Equity Shares of ₹ 10/- each in United Seamless Tubulaar Private Limited (Including 19,000,000 of Bonus Shares ₹ 10/- each)		
Less: Provision for Diminution in value of Investments	<b>5,220.40</b>	0.00
	<b>0.00</b>	5220.40

#### Disclosures

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

Particulars	31.03.2017		31.03.2016	
	No. of Shares	%	No. of Shares	%
Equity Shares in United Seamless Tubulaar Private Limited	<b>23,220,400</b>	<b>17</b>	23,220,400	17

### NOTE NO.11 : LONG TERM LOANS AND ADVANCES

	31.03.2017	31.03.2016
<b>Unsecured, considered good</b>		
Security Deposits	<b>581.34</b>	581.03
Prepaid Expenses	<b>0.11</b>	3.55
	<b>581.45</b>	584.58

### NOTE NO.12 : OTHER NON CURRENT ASSETS

	31.03.2017	31.03.2016
Deposits with Banks - Margin Money	<b>0.75</b>	6.61
Interest receivable	<b>0.00</b>	1.47
	<b>0.75</b>	8.08

## NOTES



### NOTE NO.13 : INVENTORIES

(₹ in Lakhs)

	31.03.2017	31.03.2016
<i>Valued at lower of cost or net realisable value except scrap which is valued at estimated realisable value.</i>		
Raw Materials	1,155.91	1,337.98
Work in Progress	6,105.17	6,390.91
Stores and Spare parts	2,497.94	2,684.73
Scrap	1.21	1.47
	9,760.23	10,415.09

### NOTE NO.14 : TRADE RECEIVABLES

	31.03.2017	31.03.2016
<i>Unsecured, considered good</i>		
(a) Outstanding for more than six months	9.44	0.00
(b) Other debts	104.20	163.27
	113.64	163.27

#### Disclosures:

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

### NOTE NO.15 : CASH AND BANK BALANCES

	31.03.2017	31.03.2016
<b>Cash and Cash Equivalents</b>		
Cash on Hand	0.12	2.22
Balances with Banks in Current Accounts	50.09	112.73
<b>Other Bank Balances</b>		
Margin Money Deposit Accounts	471.19	140.33
Unclaimed Dividend Accounts	201.58	250.41
	722.98	505.69

## NOTES



### NOTE NO.16 : SHORT TERM LOANS AND ADVANCES

(₹ in Lakhs)

	31.03.2017	31.03.2016
Prepaid Taxes - Income Tax (Net)	405.82	400.98
MAT Credit Entilement	29.07	211.92
Balances with Revenue Authorities	181.97	197.33
Prepaid Expenses	23.11	31.63
Advances to Suppliers	14.15	8.30
Other Advances	10.50	12.93
	664.62	863.09

#### Disclosures

In accordance with the guidance note issued by ICAI, the company will review the same at each balance sheet date and write down the carrying amount of MAT Credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income tax during the specified period.

### NOTE NO.17 : OTHER CURRENT ASSETS

	31.03.2017	31.03.2016
Interest receivable	19.97	23.78
	19.97	23.78

### NOTE NO.18 : REVENUE FROM OPERATIONS

	31.03.2017	31.03.2016
Sale of Products	668.04	13858.55
Other Operating Revenues		
a) Job works	68.93	1361.63
b) Sale of Scrap	1.08	56.51
	738.05	15276.69
Less: Excise Duty	9.27	70.22
	728.78	15206.47

### NOTE NO.19 : OTHER INCOME

	31.03.2017	31.03.2016
Interest Income Earned	20.31	29.01
Sale of Power	43.79	42.70
Profit on Sale of Assets	0.00	3.19
Excess Provision Written Back	46.60	1077.55
Miscellaneous Income	428.56	53.11
	539.26	1205.56

## NOTES



### NOTE NO.20 : COST OF MATERIALS CONSUMED

(₹ in Lakhs)

	31.03.2017	31.03.2016
Opening Stocks	1,337.98	3,150.30
Add : Purchases	47.46	7,431.42
	1,385.44	10,581.72
Less : Closing Stock	1,155.91	1,337.98
	229.53	9,243.74

### NOTE NO.21 : CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

	31.03.2017	31.03.2016
Opening Finished Goods	0.00	17.81
Closing Finished Goods	0.00	0.00
	0.00	17.81
Opening Work-in-Progress and Scrap	6,392.38	4,753.64
Closing Work-in-Progress and Scrap	6,106.38	6,392.38
	286.00	(1,638.74)
Net (Increase) / Decrease	286.00	(1,620.93)

### NOTE NO.22 : EMPLOYEE BENEFITS EXPENSES

	31.03.2017	31.03.2016
Salaries and Wages	1,084.92	1,741.05
Contribution to Provident and Other Funds	29.26	78.90
Staff Welfare	1.57	14.79
	1,115.75	1,834.74

**NOTES****NOTE NO.23 : FINANCE COST**

(₹ in Lakhs)

	31.03.2017	31.03.2016
Interest Expenses	1,799.89	1,668.16
Interest on Income Tax	0.89	0.43
Other Borrowing Costs	28.47	62.41
	1,829.25	1,731.00

**NOTE NO.24 : OTHER EXPENSES**

	31.03.2017	31.03.2016
Consumption of Stores and Spares	209.56	1,055.75
Power & Fuel	131.00	1,201.23
Rent	0.00	383.33
Repairs to Buildings	0.00	14.30
Repairs to Machinery	13.18	195.15
Insurance	44.29	57.94
Rates and Taxes	14.10	16.51
Selling and Distribution Expenses	30.23	250.64
Administrative Expenses	38.59	90.07
Factory Maintenance	81.32	149.94
Travelling and Conveyance Expenses	31.13	151.34
Professional & Consultancy Charges	19.98	31.93
Secreterial Expenses	33.70	41.92
Net Loss/(Gain) on Foreign Currency Transaction & Translation	11.28	336.54
Miscellaneous Expenditure	26.80	173.13
	685.16	4,149.72

## NOTES



### 25. CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for):

#### i) Contingent liabilities

##### a) Claims against the company not acknowledged as debts

	(₹ In Lakhs)	
	As at 31.03.2017	As at 31.03.2016
Income Tax - The revenue has appealed before Hon'ble High Court of Andhra Pradesh against the order of Hon'ble Income Tax appellate Tribunal, Hyderabad which was in favour of the Company in respect of deduction claimed u/s 80 HHC.	370.67	370.67
Central Excise – Demand raised by the Central Excise Department in respect of process amounting to 'manufacture' and applicability of duty thereon in respect of certain products against which an appeal has been made before CESTAT, Bangalore.	722.45	722.45

##### b) Bank Guarantees

359.26                      2497.93

### 26. Un-hedged foreign currency exposure at the year end:

	As at 31.03.2017	As at 31.03.2016
Trade payables	389.04	0.00

27. The Prior Period Adjustments includes Job Work Income of ₹ 1,071.09 Lakhs and Royalty expenses of ₹ 701.95 Lakhs.

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

#### Defined Contribution Plan

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

	(₹ In Lakhs) 2016-17	(₹ In Lakhs) 2015-16
Employer's Contribution to Provident Fund	25.46	70.55
Employer's Contribution to ESI	1.42	1.01



## NOTES



### Defined Benefit Plan

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

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

(₹ In Lakhs)

	Gratuity (Funded) 2016-17	Leave Encashment (Non funded) 2016-17	Gratuity (Funded) 2015-16	Leave Encashment (Non funded) 2015-16
Defined Benefit obligation At beginning of the year	473.17	66.46	441.92	78.88
Current Service Cost	39.25	65.69	35.97	58.72
Past Service Cost	-	-	-	-
Interest	20.29	4.55	32.33	5.37
Actuarial (gain) / loss	(7.03)	(116.85)	14.59	(57.04)
Benefits paid	(402.41)	(10.89)	(51.64)	(19.47)
Defined Benefit obligation at year end	123.27	8.97	473.17	66.46

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

	Gratuity (Funded) 2016-17	Leave Encashment (Non funded) 2016-17	Gratuity (Funded) 2015-16	Leave Encashment (Non funded) 2015-16
Fair value of plan assets At beginning of the year	427.61	-	400.06	-
Expected Net return on plan assets	17.45	-	33.42	-
Employer contribution	-	10.89	44.44	19.47
Benefits paid	(402.41)	(10.89)	(51.64)	(19.47)
Actuarial gain / (loss)	(3.08)	-	1.33	-
Fair value of plan assets at year end	39.52	-	427.61	-

#### III. Reconciliation of fair value of assets and obligations

	Gratuity (Funded) 2016-17	Leave Encashment (Non funded) 2016-17	Gratuity (Funded) 2015-16	Leave Encashment (Non funded) 2015-16
Fair value of plan assets	39.52	-	427.61	-
Present value of obligation	123.27	8.97	473.17	66.46
Amount recognised in Balance sheet	(83.75)	(8.97)	(45.56)	(66.46)

## NOTES



### IV. Expenses recognised during the year:

(₹ In Lakhs)

	Gratuity (Funded) 2016-17	Leave Encashment (Non funded) 2016-17	Gratuity (Funded) 2015-16	Leave Encashment (Non funded) 2015-16
Current Service Cost	39.25	65.69	35.97	58.72
Past Service Cost	-	-	-	-
Interest Cost	39.25	4.55	32.33	5.37
Expected return on plan assets	17.45	-	(33.42)	-
Actuarial gain / (loss)	3.95	(116.85)	13.26	(57.04)
Net Cost	38.14	(46.61)	48.14	7.05

### V. Investment Details:

(₹ In Lakhs)

Particulars	% Invested As at 31st March, 2017	% Invested As at 31st March, 2016
L.I.C.	100.00	100.00

### VI. Actuarial assumptions:

(₹ In Lakhs)

	Gratuity (Funded) 2016-17	Leave Encashment (Non funded) 2016-17	Gratuity (Funded) 2015-16	Leave Encashment (Non funded) 2015-16
Mortality Table (LIC)				
Discount rate (per annum)	6.69%	6.69%	7.77%	7.77%
Expected rate of return on plan assets (Per annum)	7.71%	-	8.43%	-
Rate of escalation in salary (per annum)	4%	4%	4%	4%

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

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

### 29. Earning per Share:

	2016-17	2015-16
Total No. of Shares (in lakhs)	442.89	442.89
Profit / Loss after Taxes and exceptional items (₹ in Lakhs)	(8,395.89)	(659.77)
Earning per share Basic & Diluted (₹ per share)	(18.96)	(1.49)

## NOTES



### 30. Segment Reporting:

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

PARTICULARS	(₹ In Lakhs)	
	2016-17	2015-16
<b>1. Segment Revenue:</b>		
<b>(Sales and Income from Services)</b>		
- Drill Pipe And Allied Products	306.47	9,361.23
- OCTG Sales	345.45	4,145.60
- OCTG Services	-	1,098.44
- Other Sales And Services	76.86	601.20
<b>Total Segment Revenue</b>	<b>728.78</b>	<b>15,206.47</b>
<b>2. Segment Results:</b>		
<b>Profit / (Loss) before Interest and Tax (excluding other income)</b>		
- Drill Pipe And Allied Products	(1,609.46)	(445.86)
- OCTG Sales	(1,814.22)	(197.45)
- OCTG Services	-	(52.32)
- Other Sales And Services	(403.65)	(28.63)
<b>Total Segment Results</b>	<b>(3,827.33)</b>	<b>(724.26)</b>
<b>Unallocable Income / (Expenses)</b>		
Less : Interest & Other Income / (Expense)	(1,289.99)	(525.44)
<b>Total Profit Before Tax and After Exceptional Items.</b>	<b>(5,117.32)</b>	<b>(1,249.70)</b>
<b>3. Capital Employed:</b>		
<b>(Segment Assets less Segment Liabilities)</b>		
Unallocable	15,656.78	24,052.67

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

## NOTES



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

(₹ In Lakhs)

Sl. No.	Particulars of the party	Relationship	Nature of Transactions	31.03.2017	31.03.2016
A	United Steel Allied Industries Private Limited	One of the Director is related	Office Rent (incl. Service Tax) Closing Balance DR / (CR)	- (362.85)	436.12 (45.25)
B	USAI Forge Pvt. Ltd.	One of the Director is related	Sales / Material Purchase Closing Balance DR / (CR)	- (516.44)	1088.82 (453.25)

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

(₹ In Lakhs)

Sl. No.	Particulars of the party	Relationship	Nature of Transactions	31.03.2017	31.03.2016
A	Sri K.Suryanarayana	Key Management Personnel-Chairman	Remuneration	39.12	39.12
B	Sri Sridhar Kamineni	Key Management Personnel - MD	Remuneration as Director	49.44	49.44

32. Additional information pursuant to Note 5 of Part II of the Revised Schedule III of the Companies Act,2013:

### A. TURNOVER:

Sl. No.	Class Of Goods	Opening Stock as at 01.04.2016	Closing Stock as at 31.03.2017	Turnover 31.03.2017
		₹ In Lakhs	₹ In Lakhs	₹ In Lakhs
A	Casing and Production Tubing (OCTG)	-- (-)	-- (-)	346.47 (5,314.26)
B	Drill Pipe and Allied Products	-- (-)	-- (-)	314.05 (9,361.23)
C	Other Sales and Services	-- (-)	-- (-)	77.53 (601.20)
	TOTAL	-- (-)	-- (-)	738.05 (15,276.69)

(Previous year figures are given in brackets)

## NOTES



### B. WORK IN PROGRESS:

Sl. No.	Class Of Goods	Opening Stock as at 01.04.2016	Closing Stock as at 31.03.2017
		₹ In Lakhs	₹ In Lakhs
A	Casing and Production Tubing (OCTG)	3,781.69 (3,135.57)	4,857.91 (3,781.69)
B	Drill Pipe and Allied Products	2,609.22 (1,617.13)	1,247.26 (2,609.22)
C	Others including Oil Field Accessories, scrap and services	1.47 (0.94)	1.21 (1.47)
	TOTAL	6,392.38 (4,753.64)	6,106.38 (6,392.38)

(Previous year figures are given in brackets)

Sl. No.	Class Of Goods	31.03.2017		31.03.2016	
			(₹ In Lakhs)		(₹ In Lakhs)
33.	CIF VALUE OF IMPORTS Raw Materials Stores, Spares and Tools		- -		4,878.47 79.60
34.	RAW MATERIAL CONSUMPTION Casing and Production Tubing Drill Pipes		113.50 116.03		2,155.95 7,087.79
	RAW MATERIAL CONSUMPTION	%	(₹ in Lakhs)	%	(₹ in Lakhs)
	Imported	63.26	145.20	68.63	6,344.38
	Indigenous	36.74	84.33	31.37	2,899.36
		100.00	229.53	100.00	9,243.74
35.	STORES, SPARES & TOOLS CONSUMPTION	%		%	
	Imported	21.16	44.34	27.30	288.27
	Indigenous	78.84	165.22	72.70	767.48
		100.00	209.56	100.00	1,055.75
36.	EXPENDITURE IN FOREIGN CURRENCY Travelling Royalty, Agency Commission Interest Others		- 16.14 2.06 16.60		27.17 13.65 90.34 10.33
			34.80		141.49
37.	EARNINGS IN FOREIGN CURRENCY FOB value of Exports Domestic Sales (Deemed Exports)		123.54 403.01		1,827.24 10,943.63

## NOTES



### 38. Details of specified bank notes (sbn) held and transacted during the period from 08.11.2016 to 30.12.2016

(₹ in Lakhs)

Particulars	SBN	Other denomination notes	Total
Closing Balance as on 08.11.2016	0.43	0.82	1.25
(+) Permitted receipts	-	2.53	2.53
(-) Permitted payments	-	3.07	3.07
(-) Amount deposited in Banks	0.43	-	0.43
Closing cash in hand as on 30.12.2016	-	0.28	0.28

### 39. Remuneration to Auditor (excluding service tax):

(₹ in Lakhs)

Particulars	2016-17	2015-16
As: Auditor	4.00	4.00
For Taxation Matters	0.50	0.50
For Other Services	2.46	6.28

40. Previous year figures have been regrouped / re arranged / reclassified wherever considered necessary to conform to the classification of the current year.

For and on behalf of the Board of Directors

Per our report attached  
for **C K S ASSOCIATES**  
Chartered Accountants  
(FRN 007390S)

**N.V.S.SRIKRISHNA**  
Partner  
M.No.25139

Place : Hyderabad  
Date : May 25, 2017

**K.SURYANARAYANA**  
Chairman  
DIN : 00078950

**SRIDHAR KAMINENI**  
Managing Director  
DIN : 00078815

**K. INDIRA**  
Director  
DIN : 00332194

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

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

**A P VITTHAL**  
Director  
DIN : 00061080

# CASH FLOW STATEMENT



(₹ in Lakhs)

	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) before Tax and Extraordinary Items	(5,117.32)	(1,249.70)
Adjustments for :		
Depreciation	2,239.67	2,323.46
Interest Expenses	(20.31)	(29.01)
(Profit)/Loss on Sale of Assets	0.00	(3.19)
Interest on Working Capital Loans	1,829.25	1,731.00
Exchange rate fluctuation	11.28	336.54
Prior Period Adjustments	369.14	0.00
Operating Profit before Working Capital Charges	(688.29)	3,109.10
Adjustments for :		
(Increase)/Decrease in Inventories	654.86	386.07
(Increase)/Decrease in Trade Receivables	49.62	1,629.95
(Increase)/Decrease in Other Current Assets	11.14	47.22
(Increase)/Decrease in Loans and Advances	206.45	356.45
Increase/(Decrease) in Current Liabilities	533.53	(4,624.66)
Increase/(Decrease) in Cash Credit Loans	993.27	1,045.86
Increase/(Decrease) in interest accrued	465.39	(10.76)
Cash Generated from Operations	2,225.97	1,939.23
Adjustments for :		
Interest on Working Capital Loans	(1,829.25)	(1,731.00)
Direct Taxes Paid	(188.47)	(63.76)
<b>Total : (A)</b>	<b>208.25</b>	<b>144.47</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-	(354.86)
Sale of Fixed Assets	-	101.31
Interest Received	20.31	29.01
<b>Total : (B)</b>	<b>20.31</b>	<b>(224.54)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in Term Loans	-	-
Equity Dividend	-	-
Corporate Dividend Tax	-	-
<b>Total : (C)</b>	<b>-</b>	<b>-</b>
Net Increase/(Decrease) in Cash and Cash Equivalents (Total A + B + C)	228.56	(80.07)
Exchange rate fluctuation	(11.28)	(336.54)
Deposits Matured More than 3 Months	(289.78)	(139.84)
Opening Balance of Cash and Cash Equivalents	365.85	922.30
Closing Balance of Cash and Cash Equivalents	293.35	365.85

Per our report attached  
for **C K S ASSOCIATES**  
Chartered Accountants  
(FRN 007390S)

**N.V.S.SRIKRISHNA**  
Partner  
M.No.25139

Place : Hyderabad  
Date : May 25, 2017

For and on behalf of the Board of Directors

**SRIDHAR KAMINENI**  
Managing Director



**OIL COUNTRY TUBULAR LIMITED**

(CIN: L26932TG1985PLC005329)

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

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

**Form MGT-11****Proxy form**[Pursuant to section 105(6) of the Companies Act, 2013 and  
Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

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

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

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

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

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

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

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

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

and whose signatures are appended below as my/our proxy to attend and vote, in case of a poll, for me/us and on my/our behalf at the 31<sup>st</sup> Annual General Meeting of the Company, to be held on Thursday, the 10<sup>th</sup> August, 2017 at 10.00 A.M. at Taj Mahal Hotel, 2<sup>nd</sup> Floor, Akshaya Hall, 4-1-999, Abids, Hyderabad - 500 001 and at any adjournment thereof in respect of resolutions are indicated below:

Sl No.	Resolution(s)	Vote	
		For	Against
1	Adoption of Audited financial statements for the year ended 31.03.2017		
2	Re-appointment of Mrs. K Indira as Director		
3	To appoint M/s G Nagendra Sundaram & Co. Chartered Accountants as Statutory Auditors		
4	Re-appointment of Mr. K Suryanarayana as Executive Chairman for a period of 3 years.		
5	To consider and thought fit to pass the remuneration payable for 2017-18 to M/s. Sagar & Associates, Cost Accountants		

\* Applicable for investors holding shares in Electronic form.

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

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

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

Note:

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

Affix  
Re.1/-  
Revenue  
StampSignature of the shareholder  
across Revenue stamp



**OIL COUNTRY TUBULAR LIMITED**

(CIN: L26932TG1985PLC005329)

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

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

**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 31st Annual General Meeting of the Oil Country Tubular Limited, held on Thursday, the 10<sup>th</sup> August, 2017 at 10.00 A.M., at Taj Mahal Hotel, 2nd Floor, Akshaya Hall, 4-1-999, Abids Road, Hyderabad - 500 001.

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

**Note:**

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



## OIL COUNTRY TUBULAR LIMITED

(CIN: L26932TG1985PLC005329)

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

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

### 31<sup>ST</sup> ANNUAL GENERAL MEETING

#### Voting Through Electronic Means

Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the revised Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Company is providing e-voting facility to the Members of the Company, the facility to vote at the 31<sup>st</sup> Annual General Meeting to be held on Thursday, the 10<sup>th</sup> August, 2017. Members of the Company can transact all the items of the business through electronic voting system, provided by Central Depository Services Limited, as contained in the Notice of the Meeting.

The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again

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

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

- i) The voting period begins at **9.00 A.M. on 7<sup>th</sup> August, 2017 and ends at 5 P.M. on 9<sup>th</sup> August, 2017**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **28<sup>th</sup> July, 2017**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- iv) Click on Shareholders.
- v) Now Enter your User ID :
  - a) For CDSL:— 16 digits beneficiary ID
  - b) For NSDL:— 8 Character DPID followed by 8 Digits Client ID
  - c) Members holding shares in Physical Form should enter Folio Number registered with the Company
- vi) Next enter the Image Verification as displayed and Click on Login.
- vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- viii) If you are a first time user follow the steps given below :

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p><b>F</b> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> <p><b>F</b> In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (v)</p>



- ix) After entering these details appropriately, click on "SUBMIT" tab.
- x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii) Click on the **EVSN (170628008)** for the relevant **Oil Country Tubular Limited** on which you choose to vote.
- xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xviii) If demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xx) Note for Non – Individual Shareholders and Custodians
- ☐ Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as Corporates.
  - ☐ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
  - ☐ After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - ☐ The list of accounts linked in the login should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
  - ☐ A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
    - i) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 28<sup>th</sup> July, 2017 may follow the same instructions as mentioned above for e-Voting.
- xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at **www.evotingindia.com**, under help section or write an email to **helpdesk.evoting@cdslindia.com**.

Yours Sincerely,  
For **Oil Country Tubular Ltd**

**K Suryanarayana**  
Chairman

Place : Hyderabad  
Date : May 25, 2017



### E-Voting Page

Resolution No. as per Notice	Particulars	No. of Shares Held	Assent	Dissent
	<b>Ordinary Business</b>			
1	Adoption of Audited financial statements for the year ended 31.03.2017			
2	Re-appointment of Mrs. K Indira as Director			
3	To appoint M/s G Nagendra Sundaram & Co. Chartered Accountants as Statutory Auditors.			
	<b>Special Business :</b>			
	<b>Special Resolution :</b>			
4	Re-appointment of Mr. K Suryanarayana as Executive Chairman for a period of 3 years.			
	<b>Ordinary Resolution :</b>			
5	To consider and thought fit to pass the remuneration payable for 2017-18 to M/s. Sagar & Associates, Cost Accountants			



If undelivered, please return to:

**Oil Country Tubular Ltd.**

Regd. Office: 'KAMINENI', 3<sup>rd</sup> Floor,  
King Koti, Hyderabad - 500001, India.