

49th Annual Report

2018 - 2019



INCON ENGINEERS LIMITED



C O N T E N T S

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



INCON ENGINEERS LIMITED

CORPORATE INFORMATION

Board of Directors

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

AUDITORS

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

BANKERS

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

REGISTRAR & SHARE TRANSFER AGENTS

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

REGISTERED OFFICE & FACTORY

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

CIN **L74210TG1970PLC001319**

WEBSITE www.incon.in

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



INCON ENGINEERS LIMITED

NOTICE OF 49TH ANNUAL GENERAL MEETING

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

ORDINARY BUSINESS:

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

SPECIAL BUSINESS:

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

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

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

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

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

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

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



INCON ENGINEERS LIMITED

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

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

5. Transactions with the Related Parties:

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

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

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

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

TOTAL VALUE OF CONTRACT:

Rs.75.00 lakhs

DURATION OF CONTRACT:

To be executed over a period of 36 months
From the date of approval by the shareholders

Validity & Escalation:

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

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

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

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

Place : Hyderabad

Date : 29.05.2019



INCON ENGINEERS LIMITED

NOTES:

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



INCON ENGINEERS LIMITED

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

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

Item 3

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

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

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

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

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

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



INCON ENGINEERS LIMITED

Item 4

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

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

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

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

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

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

Item 5

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

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

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

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

**Place: Hyderabad
Date: 29.05.2019**

**SREEDHAR CHOWDHURY
MANAGING DIRECTOR**



INCON ENGINEERS LIMITED

ANNEXURE - A

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

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

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

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