

Thirty Second Annual Report 2017-2018



Oil Country Tubular Ltd.
India

**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

Mr. D. Suresh Babu (Upto 12.12.2017)

REGISTERED OFFICE

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

BANKERS

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

AUDITORS

G Nagendrasundaram & Co.,
Chartered Accountants
Flat No,B-502, Pasha Court
6-3-680; Somajiguda
Hyderabad - 500 082 (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

NOTICE TO MEMBERS



Notice is hereby given that the 32nd Annual General Meeting of Oil Country Tubular Limited will be held on Saturday, the 11th day of August, 2018 at 10.00 A.M. at One Continent Hotel, 4th Floor, Above Brand Factory, Beside TajMahal Hotel, Sky Diner Hall, 4-1-1001, 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 31st March, 2018 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 ratify the appointment of Statutory Auditors of the Company, and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of sections 139(9) and 142(1) and other applicable provisions, if any, of the Companies Act, 2013, read with rules made there under, the appointment of M/s G Nagendrasundaram & Co., Chartered Accountants (Firm's Regn. No. 05355S.), and Membership No.050283 approved in the 31st Annual General Meeting until 36th Annual General Meeting is hereby ratified in this Annual General Meeting till conclusion of next Annual General Meeting with remuneration as may be decided by the Board of Directors."

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

Place : Hyderabad
Date : April 26th, 2018

K SURYANARAYANA
Chairman

NOTES :

1. 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.
2. The Register of Members and Transfer Books of the Company will be closed from 8th August, 2018 to 11th August, 2018 (both days inclusive).
3. 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 Rs. 55,78,002/- on 04.07.2017 out of dividend declared for the financial year 2009-10 to Investor Education and Protection Fund (IEPF) of the Central Government required under Section 125 of the Companies Act, 2013..

Pursuant to the Companies Act, 2013 equity shares of the shareholders whose dividend amount upto the year 2009-10 were transferred 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 2010-11 is to be transferred to Investor Education and Protection Fund (IEPF) when it is determined in the month of July, 2018 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.

4. 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.



5. 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.
6. 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.
7. 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 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, mentioning therein the Company's name i.e., Oil Country Tubular Ltd (OCTL), their folio number and e-mail address.

The Annual Report 2017-18 of the Company is also available on the website of the Company www.octlindia.com

8. 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.
9. 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.
10. 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.
11. 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 32nd Annual General Meeting to be held on Saturday, the 11th August, 2018 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 nos. 66-68 of the Annual Report 2017-18. 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 : April 26th, 2018

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

Item No. 3:

The Board of Directors in their 186th meeting held on 25th May, 2017 have approved the appointment of M/s.G.Nagendrasundaram & 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 and ratification by the shareholders every year at the Annual General Meeting.

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:)

Name of the Director	Mrs. K. Indira
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 31.03.2018	Nil
Chairman/Member of the Committees of other Companies on which he/ she is a Member as on 31.03.2018	Nil
Number of equity shares held in the Company	2,10,000

To the Members,

The Directors have pleasure in presenting before you the 32nd Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2018.

FINANCIAL RESULTS :

The performance during the period ended 31st March, 2018 has been as under:

(In Lakhs)

S.No.	Particulars	2017-18	2016-17
1	Gross Income	1178.54	1277.31
2	Profit / (Loss) Before Interest and Depreciation	(1404.30)	(6315.29)
3	Finance Charges	1959.96	1829.25
4	Gross Profit / (Loss)	(3364.26)	(8144.54)
5	Provision for Depreciation	2163.13	2207.85
6	Net Profit / (Loss) Before Tax	(5527.39)	(10352.39)
7	Provision for Tax	(1825.04)	(1572.69)
8	Net Profit / (Loss) After Tax	(3702.35)	(8779.70)
9	Balance of Profit brought forward	-	-
10	Balance available for appropriation	(3702.35)	(8779.70)
11	Transfer to General Reserve	3702.35	8779.70

OPERATIONS:

The gross income of the Company is ₹11.78 Crores during the current financial year 2017-18 as against ₹12.77 Crores during the previous financial year. The very low turnover is due to the abnormal delay in finalization of tenders by the customers on account of changes in Government of India's policy to encourage indigenous manufacturers under the Make in India Policy. Major tenders were finalized by the customers during the last quarter of financial year 2017-18 only and hence low turnover during current financial year 2017-18.

PROSPECTS:

The order book position of the Company stood at ₹270 Crores as at 31st March, 2018. The raw materials procurement against new orders are in place and expected to be received in first quarter of 2018-19. The manufacturing will be taken up thereafter. The Company expects a turnover of around ₹150 Crores during the financial year 2018-19.

The Exploration and Drilling Activities world over has shown an increase with rise in the crude oil prices, now at 74 USD/ Barrel, thereby increasing the requirement of Tubulars and Drilling Products. In India, the Exploration and Drilling activities continue to remain at steady levels and more drilling and exploration activities are expected with the rise in the crude oil prices.

The Government of India has issued the Steel Policy for Domestically Manufactured Iron and Steel Products, including the Seamless Pipes, under the Make in India Policy. Under the Steel Policy, minimum value addition of 15% has been prescribed with input material to be sourced indigenously. The Processors of the Seamless Pipes have to procure the green pipes from the seamless pipe manufacturers in India.

These Policy changes under Make in India Policy will give the necessary thrust to the domestic Industry including Oil & Gas Sector and indigenous manufacturers of various Tubulars and the Company's products required for the Industry.

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 G Nagendrasundaram & Co., 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 2018-19 to NSE and BSE where the Company's Shares are listed.

DEMATERIALIZATION OF SHARES:

96.29% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2018 and balance 3.71% 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 1st April, 2017 to 31st March, 2018. The dates on which the meetings were held are as follows: 25th May, 2017, 10th August, 2017, 9th November, 2017, 8th February, 2018 and 24th February, 2018.

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 31st March, 2018, 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 the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls in the company that are adequate and were operating effectively;
- 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. The Company has taken steps, to make payment of Service Tax for which provision has been made in the Balance Sheet and regularize the Working Capital overdues.

AUDITORS:

i) Statutory Auditors :

M/s.G.Nagendrasundaram & Co., Chartered Accountants, Hyderabad, Statutory Auditors have been appointed for a period of Five Years at the 31st Annual General Meeting until 36th Annual General Meeting subject to ratification every year at the conclusion of next Annual General Meeting.

ii) Cost Auditors :

The Company is required to appoint Cost Auditors, if the turnover of the Company is more than Rs.100 Crores in the previous year. Since the turnover of the Company is far below .100 Crores threshold during the year 2017-18. The Cost Auditors are not required to be appointed for the year 2018-19.

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 31st March, 2018 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 31st March, 2018 (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 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 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 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 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 2017-18 (Lakhs)	Remuneration paid FY 2016-17 (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)	0.00	1.76	0
5	Mr. D Suresh Babu	CS (KMP) (Resigned on 12-12-2017)	1.16	0.00	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**

K SURYANARAYANA
Chairman

Place : Hyderabad
Date : April 26th, 2018

Form No. 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 31ST MARCH, 2018

To
The Members
Oil Country Tubular Limited
CIN: L26932TG1985PLC005329
"Kamineni" 3rd Floor,
King Koti,
Hyderabad -500001

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

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. I hereby report that in my opinion, the company has, during the audit period covering the financial year ended 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms, returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 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;

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;

I further report that the following are other laws specifically applicable to the Company:

- a. Factories Act, 1948;
- b. Industrial Disputes Act, 1947;

- c. The Payment of wages Act, 1936;
- d. The Minimum Wages Act, 1948;
- e. The Employees Compensation Act, 1923;
- f. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952;
- g. The Payment of Bonus Act, 1965;
- h. Equal Remuneration Act, 1976;
- i. The Environment (Protection) Act, 1986;
- j. The water (Prevention & Control of Pollution) Act, 1974;
- k. Acts as prescribed under Direct tax and Indirect Tax;
- l. Land Revenue laws of the State of Telangana;
- m. Labour Welfare Act of the State of Telangana;
- n. The Hazardous waste (Management, Handling and Transboundary Movement) Rules, 2008.

I report that the applicable financial laws, such as the Direct and Indirect Tax Laws, have not been reviewed under my audit as the same falls under the review of statutory audit and by other designated professionals

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

- i) Secretarial Standards issued by the Institute of Company Secretaries of India (Standards)
- ii) 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.

During the period under review, the Company has complied with the provisions of the Act, rules, Regulations, Guidelines, Standards, in respect of the above.

I 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. There were no changes in the composition of the Board of Directors took place during the period under review.

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 and other business which are not included in the Agenda.

All decisions at Board Meeting and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or committee of the Board, as the case may be.

I further report that, as per the explanations given to us and the representation made by the Management and relied upon by me, 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.

I further report that, during the audit period under review the company has:

- i) Proposed to pass a Special Resolution for sale of its Processing Plant -2 to any person / Body Corporate pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013, with respect to the above the Notice given to the Members under section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration Rules), 2014.

For **MANJULA ALETI**
Company Secretary in Practice

Place : Hyderabad
Date : April 26th, 2018

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.