

# Thirty Third Annual Report 2018-2019



**Oil Country Tubular Ltd.**  
India

|   |   |                                 |
|---|---|---------------------------------|
| <b>BOARD OF DIRECTORS</b>                         | Mr. K Suryanarayana   | Chairman                        |
|   | Mr. Sridhar Kamineni  | Managing Director               |
|   | Mrs. K Indira   | Director (Upto January 17,2019) |
|   | Dr. T S Sethurathnam  | Director                        |
|   | Mr. K V Ravindra Reddy  | Director                        |
|   | Mr. A P Vitthal   | Director                        |
| <b>COMPANY SECRETARY</b>                          | Ms. Priyanka Garg (From June 13, 2018)  |                                 |
| <b>REGISTERED OFFICE</b>                          | 9, Kanchanjunga, King Koti Road<br>Hyderabad - 500 001 (TG)<br>Phone No:040 - 2478 5555<br>Website : <a href="http://www.octlindia.com">www.octlindia.com</a><br>Email : <a href="mailto:demat@octlindia.com">demat@octlindia.com</a> |                                 |
| <b>BANKERS</b>                                    | State Bank of India<br>Allahabad Bank<br>Indian Overseas Bank   |                                 |
| <b>AUDITORS</b>                                   | G Nagendrasundaram & Co.,<br>Chartered Accountants<br>Flat No,B-502, Pasha Court<br>6-3-680; Somajiguda<br>Hyderabad - 500 082 (T.G.)   |                                 |
| <b>WORKS</b>                                      | Sreepuram<br>Narketpally Mandalam<br>Nalgonda Dist - 508 254 (T.G.)   |                                 |
| <b>REGISTRARS &amp; SHARE<br/>TRANSFER AGENTS</b> | XL Softech Systems Limited<br>3, Sagar Society, Road No.2<br>Banjara Hills<br>Hyderabad - 500 034 (T.G.)<br>Phone No: 040 - 2354 5913<br>Email: <a href="mailto:xlfield@gmail.com">xlfield@gmail.com</a>                              |                                 |

## NOTICE TO MEMBERS



Notice is hereby given that the 33rd Annual General Meeting of Oil Country Tubular Limited will be held on Thursday, the 26th day of September, 2019 at 10.00 A.M. at Taj Mahal Hotel, 2nd 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 31st March, 2019 and Balance Sheet as at that date together with Director's Report and Auditor's Report thereon.
- 2) 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.), approved in the 32nd 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."

### SPECIAL BUSINESS:

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

**"RESOLVED THAT** pursuant to provisions of Sections 196, 197, 203 and other applicable provisions if any, of the Companies Act, 2013 ("The Act") read with Schedule V to the Act and the Companies (Appointment and Remunerations of Managerial Personnel) Rules, 2014 including any statutory modifications or enactments thereof from time to time, consent of the Shareholders be and is hereby accorded to the reappointment of Mr. Sridhar Kamineni (DIN:00078815), as Managing Director for a period of five (5) years w.e.f. 01.10.2019, at a remuneration set out in the agreement placed before the meeting and initialled by the Chairman for the purpose of identification."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised 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. Sridhar Kamineni but so as not to exceed the limits specified in Schedule V of the Companies Act, 2013, or any amendment thereto or enactments thereof with effect from such date as may be decided by it."

- 4) To appoint a Director in place of Mr. K.V. Ravindra Reddy whose term expires at this Annual General Meeting and if thought fit, to pass with or without modification, the following Resolution as **Special Resolution**.

**"RESOLVED THAT** Mr. K.V. Ravindra Reddy (DIN: 00083986), be and is hereby appointed as an Independent Director for tenure of five (5) years in pursuant to the provisions of sections 149(4), 149(6) and 152 of the Companies Act, 2013."

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

**"RESOLVED THAT** Ms. Lakshmi Kiranmayi Annambotla (DIN: 08536470) who was appointed as an Additional Director of the Company by the Board of Directors with effect from August 20, 2019 in terms of Section 161(1) of the Companies Act, 2013 and Articles of Association of the Company and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member of the Company along with the requisite deposit under Section 160 of the Companies Act, 2013 signifying his intention to propose Ms. Lakshmi Kiranmayi Annambotla as a candidate for the office of Non-Executive Independent Woman Director, be and is hereby appointed as the Director of the Company."

**"RESOLVED FURTHER THAT** pursuant to provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Companies Act, 2013 and Regulation 16(1)(b) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Lakshmi Kiranmayi Annambotla (DIN: 08536470), who has submitted a declaration that she meets the criteria for independent and who is eligible for appointment, be and is hereby appointed as Non-Executive Independent Woman Director of the Company for a period of five consecutive years.

By Order of the Board of Directors

Place : Hyderabad  
Date : 20.08.2019

**K SURYANARAYANA**  
Chairman

# 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 23rd September, 2019 to 26th September, 2019 (both days inclusive).
4. Unclaimed dividend for the year(s) 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 ₹ 57,01,958/- on 05.07.2018 out of dividend declared for the financial year 2010-11 to Investor Education and Protection Fund (IEPF) of the Central Government required under Section 125 of the Companies Act, 2013.

The Unclaimed Dividend Amount of ₹61,02,096/- for the financial year 2011-12 is transferred on 5th July, 2019, to Investor Education and Protection Fund (IEPF) of the Central Government required under Section 125 of the Companies Act, 2013 on the completion of (7) Seven years.

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 2018-19 of the Company is also available on the website of the Company [www.octlindia.com](http://www.octlindia.com)

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.
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 33rd Annual General Meeting to be held on Thursday, the 26th September, 2019 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. 65-68 of the Annual Report 2018-19. 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

Place : Hyderabad  
Date : 20.08.2019

**K SURYANARAYANA**  
Chairman

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

### Item No. 2 :

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 having office at Flat No.B-502, Pasha Court, 6-3-680, Somajiguda, Hyderabad-500 082 as Auditors for a period of five years upto the conclusion of 36th Annual General Meeting 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.

### Item No.3:

Mr. Sridhar Kamineni graduated from BITS, Pilani, Rajasthan, with B.E.(Hons.) Civil Engineering in the year 1987. He is a Master in Civil Engineering from Texas Tech University, Lubbock, Texas, and also a Master in Engineering Management from University of Southern California, Los Angeles, USA.

Soon after his M.S. programs in USA, he underwent training in Oil Country Tubular Goods (OCTG) manufacturing facilities in Houston, USA, and has been associated with Oil Country Tubular Ltd. (OCTL) since 1992 and over the years has grown through the ranks to the position of Chief Executive, Director (International Operations) and appointed as Joint Managing Director in the year 2004 for a period of Five Years.

Mr.Sridhar Kamineni (DIN:00078815) was initially appointed as a Managing Director with effect from 1st October, 2009 for a period of five years upto 30th September, 2014 in the 24th Annual General Meeting. He was reappointed as a Managing Director with effect from 1st October, 2014 to 30th September, 2019 in the 29th Annual General Meeting.

Considering the qualifications, experience in managing the affairs of the Company the Nomination and Remuneration Committee has recommended the reappointment of Mr. Sridhar Kamineni as Managing Director for another period of Five years with effect from 1st October, 2019 subject to the approval of the shareholders in the next Annual General Meeting. He will be paid remuneration and perquisites as recommended by the Nomination and Remuneration Committee as detailed below, within the limits prescribed under sections 196,197,198 and Schedule V and other applicable provisions of the Companies Act, 2013 subject to overall ceiling fixed under Schedule V part 2 section I and II of the Companies Act, 2013 amended from time to time.

Period of Appointment : 5 Years (i.e. From 01.10.2019 to 30.09.2024)

Pay : ₹ 3,00,000/- Per Month

Commission : Pursuant to Section 197, an amount equal to 4 (Four) percent of the Net Profits of the Company in each Financial Year computed in accordance with Section 198 of the Companies Act, 2013 including salary and Perquisites.

### PERQUISITES:

- 1) **MEDICAL REIMBURSEMENT:** For Self and family, not exceeding one month's Salary in a year or 5 months' salary in a period of 5 years.
- 2) **LEAVE TRAVEL CONCESSION:** For Self and family, once in a year to and fro any place in India in accordance with the Rules of the Company.
- 3) **CLUB FEES:** Club Fees subject to maximum of 2 Clubs, which will not include admission and life membership fees.

**Apart from the above, he will also be entitled to the following other benefits:**

- a) **PROVIDENT FUND, SUPERANNUATION AND GRATUITY:** Provident Fund, Superannuation and Gratuity as per rules of the Company, subject to the ceiling as per the guidelines for managerial remuneration in force from time to time.
- b) **CAR:** Company's car for business of the Company



- c) **TELEPHONE:** Provision of telephone at residence will not be considered as perquisite but personal long distance calls shall be billed by the Company.
- d) **ENTERTAINMENT / TRAVELLING:** Reimbursement of travelling, entertainment and other expenses as incurred by him for the business of the Company.
- e) **PRIVILEGE LEAVE:** One Month's leave on full pay and allowance for every eleven months of service, at the end of the tenure as per the Company's Rules.

### **MINIMUM REMUNERATION :**

The Salary and Perquisites and Commission shall be subject to the overall ceiling of 4% of the Net Profits of the Company. However if the Company has no Profits or its Profits are inadequate in any Financial Year, the Company may pay remuneration to the Managing Director by way of Salary, Perquisites and other benefits as provided herein above and as provided under the Act.

The Resolution is recommended for your approval.

None of the Directors and Key Managerial Personnel of the Company except Mr.K. Suryanarayana, Chairman who is related to Mr. Sridhar Kamineni, is interested in the resolution.

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

Mr. K.V.Ravindra Reddy aged 77 years is an expert in Corporate Legal affairs. He retired as Chief General Manager (Legal) in Andhra Pradesh Industrial Development Corporation and has rich experience in Corporate Business, Administration and Management. He is a Director on the Board of Directors of the Company for over 27 years and is fit and active.

In the opinion of the Board, Mr. K.V.Ravindra Reddy proposed to be appointed as an Independent Director fulfills the conditions specified in the section 149(6) and other applicable provisions of the Companies Act, 2013 and the rules made thereunder and that the proposed director is independent of the Management.

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

Ms. Lakshmi Kiranmayi Annambotla aged 48 years is a qualified Company Secretary and has experience related to Companies Act, 2013 and other Acts and has worked as Company Secretary in various Companies.



**To the Members,**

The Directors have pleasure in presenting before you the 33rd Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2019.

**FINANCIAL RESULTS :**

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

(₹ in Lakhs)

| S.No. | Particulars                                      | 2018-19   | 2017-18   |
|-------|--|-----------|-----------|
| 1     | Gross Income                                     | 2810.53   | 1125.68   |
| 2     | Profit / (Loss) Before Interest and Depreciation | (4802.67) | (1401.14) |
| 3     | Finance Charges                                  | 1528.60   | 1959.96   |
| 4     | Gross Profit / (Loss)                            | (6331.27) | (3361.10) |
| 5     | Provision for Depreciation                       | 2136.61   | 2163.13   |
| 6     | Net Profit / (Loss) Before Tax                   | (8467.88) | (5524.23) |
| 7     | Provision for Tax                                | (167.58)  | (1825.91) |
| 8     | Net Profit / (Loss) After Tax                    | (8300.30) | (3698.32) |
| 9     | Balance of Profit brought forward                | -         | -         |
| 10    | Balance available for appropriation              | (8264.39) | (3702.34) |
| 11    | Transfer to General Reserve                      | 8264.39   | 3702.34   |

**OPERATIONS:**

The Gross Income of the Company is ₹ 2810.53 Lakhs during the current Financial Year 2018-19 as against ₹ 1125.68 Lakhs during the previous Financial Year. Though, the Company had an Order book position of ₹ 270 Crores in the year, an Order worth ₹ 240 Crores was cancelled by the Customer due to non-issue of the Performance Bank Guarantee by the Banks, which had an adverse impact on the Operations and led to low turnover. The Company is working with the Banks for a One Time Settlement in resolving the working capital issues and expects a resolution during the year 2019-20. The Company incurred Liquidated Damages of ₹ 503.03 Lakhs due to late delivery.

**PROSPECTS:**

The Company has Orders on hand to the tune of ₹ 40 Crores. The Company expects to have the raw material in place once the resolution on the Working Capital is arrived at, latest by second Quarter of 2019.

The Company products, Casing, Tubing and Drill Pipe, are primarily used in the Oil and Gas sector for the drilling and exploration of Oil and Gas. Demand for Oil & Gas is increasing every year leading to more exploration and drilling for Oil & Gas reserves. The crude oil prices have been fluctuating during the year and the Brent Crude Oil price on an average is at 64 USD/ barrel. Brent crude oil serves as the benchmark price for purchase of oil worldwide.

With the Brent crude oil prices expected to increase, the deployment of rigs will increase further which is presently at 2213 Worldwide. The number of Rigs in operation in India are 121 increasing from 112, the previous year. The active rigs are a direct indication of demand for the casing, tubing and drill pipes, used in drilling, completing, producing and processing hydrocarbons.

Further, the Government of India has issued revised Steel Policy for providing preference to domestically manufactured Iron and Steel Products which includes seamless pipes covering casing, tubing and drill pipes, in Government procurement agencies, thereby strengthening the manufacturing sector.

The Company will be in a position to actively participate in the growing market for the Products once the working capital issues are resolved by second quarter of 2019.

**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 2019-20 to NSE and BSE where the Company's Shares are listed.

## DEMATERIALISATION OF SHARES:

96.73% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2019 and balance 3.27% 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, 2018 to 31st March, 2019. The dates on which the meetings were held are as follows: 26th April, 2018, 13th June, 2018, 11th August, 2018, 12th November, 2018 and 11th February, 2019.

## 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, 2019, 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.

## 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 below ₹ 100 Crores threshold during the year 2018-19, the Cost Auditors are not required to be appointed for the year 2019-20.

### 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, 2019 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, 2019 (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 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 2018-19<br>(₹ Lakhs) | Remuneration paid FY 2017-18<br>(₹ 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)(Upto 10-09-2018)            | 3.89                                      | 8.46                                      | 0               |
| 4     | Ms.Priyanka Garg     | CS (KMP)<br>(Appointed on 13-06-2018) | 1.92                                      | 0   | 0               |
| 5     | Mr. J Ramamuni Reddy | CFO (KMP)<br>(From 11-02-2019)        | 1.17                                      | 0   | 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 : 08.08.2019

**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, 2019**

To  
The Members  
Oil Country Tubular Limited  
CIN:L26932TG1985PLC005329  
9, Kanchanjunga  
King Koti Road  
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 my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. I hereby report that in my opinion, the company has, during the audit period covering the financial year ended 31st March, 2019, 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, 2019 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 Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) 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 ;

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

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