

Thirty Fourth Annual Report 2019-2020



Oil Country Tubular Ltd.
India

MR. SISIR KUMAR APPIKATLA: RESOLUTION PROFESSIONAL
(IP Registration No.IBBI/IPA-001/
IP-P00751/2017-18/11283)

BOARD OF DIRECTORS (Powers suspended on account of CIRP)

BOARD OF DIRECTORS	Mr. K Suryanarayana	Chairman
	Mr. Sridhar Kamineni	Managing Director
	Dr. T S Sethurathnam	Director (Resigned on 08-08-2019)
	Mr. K V Ravindra Reddy	Director (Resigned on 10-01-2020)
	Mr. A P Vitthal	Director (Resigned on 11-11-2019)
	Mrs. Lakshmi Kiranmayi	Director (Resigned on 25-02-2020)

REGISTERED OFFICE 9, Kanchanjunga, King Koti Road
Hyderabad - 500 001 (TG)
Phone No: 040 - 2478 5555
Website : www.octlindia.com
Email : demat@octlindia.com

BANKERS State Bank of India
Indian Bank (Allahabad Bank)
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 34th Annual General Meeting of the Members of Oil Country Tubular Limited will be held on Wednesday, the 30th day of December 2020 at 3:00 P.M. through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) to transact the business elsewhere mentioned in this Notice. The venue of the Annual General Meeting ('AGM') shall be deemed to be conducted at the Registered Office of the Company at 9, Kanchanjunga, King Koti Road, Hyderabad – 500001, Telangana, India.

Background:

This is to apprise the Members that a Corporate Insolvency Resolution Process ('CIRP') has been initiated against the Company under the provisions of Section 7 of the Insolvency and Bankruptcy Code, 2016 ('IBC') by the National Company Law Tribunal, Hyderabad Bench ('Adjudicating Authority'), vide Order dated 28th January 2020, in CP (IB) No.220/07/HDB/2019 ('Order'). Further, vide the Order and pursuant to Section 17 of IBC, the powers of the Board of Directors of the Company stood suspended, and such powers are vested with the Interim Resolution Professional, Mr. Sisir Kumar Appikarla (IP Registration No. IBBI/IPA-001/IP-P00751/2017-18/11283). His appointment was subsequently confirmed by the Committee of Creditors ('CoC') as the Resolution Professional ('RP'). Accordingly, Mr. Sisir Kumar Appikarla in his capacity as RP took control and custody of the management and operations of the Company from 28th January 2020. Consequently, all actions that are required to be taken by the Board of Directors must be given effect to by RP during continuance of CIRP as per the provisions of IBC. In view thereof, 34th AGM of the Members of the Company is being convened by RP.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March 2020 and the Audited Balance Sheet and the Audited Cash Flow Statement as at that date together with Resolution Professional's Report and Auditors' Report thereon.
2. To appoint the Statutory Auditors of the Company and to fix their remuneration.

For OIL COUNTRY TUBULAR LIMITED

Place : Hyderabad
Date : 05.12.2020

Sd/-
Sisir Kumar Appikarla
Resolution Professional
IP Registration No. IBBI/IPA-001/
IP-P00751/2017-18/11283

NOTES:

1. In view of outbreak of the Pandemic and restrictions imposed on the movement of people, the Ministry of Corporate Affairs ('MCA') has vide its circular dated 5th May 2020 read with circulars dated 8th April 2020 and 13th April 2020 permitted the holding of AGM through VC / OAVM without physical presence of the Members at a common venue. In compliance with provisions of the Companies Act, 2013 ('the Act'), and the Rules made thereunder, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations'), read with MCA Circulars, 34th AGM of the Company is being held through VC / OAVM and the Members can attend and participate in ensuing AGM through VC / OAVM.
2. Pursuant to Section 108 of the Act, the Rules made thereunder, Regulation 44 of SEBI LODR Regulations, and the Secretarial Standards on General Meetings, each as amended, the Company is pleased to provide the Members with facility to cast their votes on all the resolutions set forth in AGM Notice using electronic voting system (e-voting) and has engaged the services of National Securities Depository Limited ('NSDL') to facilitate the same. The detailed instructions of e-voting are provided in the Annual Report.
3. Pursuant to the above-mentioned MCA Circulars, physical attendance of the Members is not required at AGM, and attendance of the Members through VC/OAVM will be counted for the purpose of reckoning the quorum required under Section 103 of the Act.
4. The Members can join AGM in VC / OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on the National Securities Depository Limited ('NSDL') e-voting website at www.evoting.nsdl.com. The facility of participation at AGM through VC / OAVM will be made available to at least 1,000 Members on first come first serve basis as per MCA Circulars. The detailed instructions for joining the Meeting through VC / OAVM is provided in the Annual Report.
5. A proxy is allowed to be appointed under Section 105 of the Act to attend and vote at AGM on behalf of a member who is not able to attend personally. Since AGM will be conducted through VC / OAVM, there is no requirement of appointment of proxies. Hence, proxy form and attendance slip including route map are not annexed to this Notice.
6. Pursuant to Section 113 of the Act, Corporate/Institutional Members are entitled to appoint authorized representatives to attend AGM through VC/OAVM on their behalf and cast their votes through e-voting. Corporate/Institutional Members intending to authorize their representatives to participate and vote at the Meeting are requested to send a certified copy of board resolution / authorization letter to the Company at demat@octlindia.com, authorizing its representative(s) to attend and vote through VC/OAVM on their behalf at AGM.

NOTICE TO MEMBERS



7. Members of the Company under the category of Institutional Shareholders are encouraged to attend and participate in AGM through VC/OAVM and vote thereat.
8. The proceedings of AGM shall be deemed to be conducted at the Registered Office of the Company which shall be deemed venue of AGM.
9. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 and relevant documents referred to in this Notice of AGM, will be available electronically for inspection by the Members during AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice upto the date of AGM. Members seeking to inspect such documents can send an email to demat@octlindia.com.
10. The Company's Registrar & Transfer Agents for the Share Registry Work (Physical and Electronic) are XL Softech Systems Limited having their office at 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500034, Telangana, Phone: +91-40-23545913, Email: xlfield@gmail.com.
11. Unclaimed dividend for the year(s) 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.
12. Non-Resident Indian Shareholders are requested to inform the Registrars, XL Softech Systems Limited immediately about:
 - a. The change in residential status on return to India for permanent settlement.
 - b. The particulars of bank account maintained in India with complete name, branch, account type, account number and branch address, if not furnished earlier.
13. **ELECTRONIC DISPATCH OF NOTICE AND ANNUAL REPORT:** In accordance with MCA General Circular No.20/2020 dated 5th May 2020 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020, and in view of the prevailing situation and owing to the difficulties involved in dispatching physical copies of the Financial Statements (including Resolution Professional's Report, Auditors' Report or other documents required to be attached therewith) for the Financial Year ended 31st March 2020, pursuant to Section 136 of the Act, and Notice calling AGM, pursuant to Section 101 of the Act, read with the Rules framed thereunder, are being sent only in electronic mode to those Members whose email ids are registered with the Company/ the Registrar or the Depository Participant(s).
14. In case of the Members who have not registered their email ids with the Company / the Depositories, please follow below instructions to register email ids for obtaining the Annual Report and login details.
 - a. Demat Shareholders: Contact respective Depository Participant.
 - b. Physical Shareholders: Contact the Company's Registrar & Transfer Agents, XL Softech Systems Limited by sending an email request at xlfield@gmail.com along with signed scanned copy of the request letter providing email id, mobile number, self-attested copy of PAN card and copy of the Share Certificate.
15. A copy of the Notice of AGM along with Annual Report for the Financial Year 2019-20 is available on the Company's website www.octlindia.com and on the websites of the Stock Exchanges where the Shares of the Company are listed, i.e., <https://www.bseindia.com> and <https://www.nseindia.com>.
16. SEBI has mandated the submission of PAN by every participant in the securities market. The Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts and the Members holding shares in physical form should submit their PAN to the Company.
17. **SUBMISSION OF QUESTIONS / QUERIES PRIOR TO AGM:** For ease of conduct of AGM, the Members who wish to ask questions or express their views on the items of the businesses to be transacted at the meeting are requested to write to the Company's investor email id at demat@octlindia.com, at least 48 hours before the time fixed for AGM, i.e., by 3.00 p.m. on 28th December 2020, mentioning their name, demat account number / folio number, email id and mobile number. The queries may be raised precisely and in brief to enable the Company to answer them suitably depending on the availability of time at AGM.
18. Alternatively, the Members holding shares as on the cut-off date, i.e., 24th December 2020, may also visit www.evoting.nsdl.com and follow the procedure given there, to post their queries/views/questions in the window provided, by mentioning their name, demat account number/folio number, email id and mobile number. The window shall be closed 48 hours before the time fixed for AGM, i.e., by 3.00 p.m. on 28th December 2020.
19. The Members can also post their questions during AGM through 'Ask A Question' tab, which is available in VC/OAVM Facility.
20. The Company, at AGM, will address the queries received till 3.00 p.m. of 28th December 2020 from those Members who have sent queries from their registered email ids. Please note that questions will be answered only if they continue to hold shares as on the cut-off date.
21. **SPEAKER REGISTRATION BEFORE AGM:** The Members of the Company, holding shares as on the cut-off date, i.e., 24th December 2020, and who would like to speak or express their views or ask questions during AGM may register themselves as speakers by visiting www.evoting.nsdl.com and following due procedure. Those Members who have registered themselves as speakers will only be allowed to speak/express their views/ask questions during AGM. The Company reserves the right to restrict number of speakers depending on the availability of time at AGM.
22. The detailed procedure with respect to e-voting at AGM is given at the end of this Annual Report.

For OIL COUNTRY TUBULAR LIMITED

Sd/-
Sisir Kumar Appikarla
Resolution Professional
IP Registration No. IBBI/IPA-001/
IP-P00751/2017-18/11283

Place : Hyderabad
Date : 05.12.2020

RESOLUTION PROFESSIONAL REPORT



To the Members,

OIL COUNTRY TUBULAR LIMITED

The Resolution Professional takes pleasure in presenting the 34th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March 2020.

FINANCIAL RESULTS :

The financial performance during the period ended 31st March 2020 is as under:

(₹ in Lakhs)

S.No.	Particulars	2019-20	2018-19
1.	Gross Income	1315.33	2810.53
2.	Loss Before Finance Charges and Depreciation	2226.02	4802.67
3.	Finance Charges	1860.96	1528.60
4.	Gross Loss	4086.98	6331.27
5.	Provision for Depreciation	2104.50	2136.61
6.	Net Loss Before Tax	6191.48	8467.88
7.	Provision for Tax	21.54	(-) 167.58
8.	Net Loss After Tax	6213.02	8300.30

OPERATIONS:

The Gross Income of the Company is Rs.1315.33 lakhs during current financial year as against Rs.2810.53 lakhs during previous financial year. Though the Company had an order book position of Rs.53.64 crores in the year, an order worth Rs.31.81 Crores was cancelled by the customer due to non-execution of the order due to non-funding by the Banks, which had an adverse impact on the operations and led to low turnover. The Promoters of the Company are working with the Banks for a Compromise Proposal under Section 12A of IBC and expect resolution during financial year 2020-21. The Company incurred liquidated damages of Rs.425.40 lakhs due to late delivery.

PROSPECTS:

The Company has orders on hand to the tune of Rs.21.10 crores. The Company expects to have the raw material in place once the Resolution Plan submitted by the Promoters is approved by the Committee of Creditors and by the Hon'ble NCLT, latest by third quarter of 2020-21.

The Company is in the business of producing casing, tubing and drill pipes that are primarily used in the Oil and Gas Sector for drilling and exploration of oil and gas. The demand for oil and gas is increasing every year leading to more exploration and drilling for oil and gas reserves. The crude oil prices have been fluctuating during the year. With the Brent crude oil prices being volatile and in view of the Pandemic, the deployment of rigs worldwide has been decreased from 2,213 to 1,964 during the Financial Year. Also, the number of rigs in operation in India are decreased from 121 to 101. The active rigs are a direct indication of low demand for the casing, tubing and drill pipes, used in drilling, completing, producing and processing hydrocarbons.

Further, the Government of India has issued the 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 Government has notified amendments to the General Financial Rules (GFR) to ensure that goods and services valued less than Rs.200 crores are being procured from domestic firms only, which further strengthens domestic local manufacturing which is positive step for the Company, since public sector undertakings are forced to procure locally instead of global tenders.

The Company will be in a position to actively participate in the growing market for the Products once the Resolution Plan is approved by the Hon'ble NCLT by fourth quarter of 2020-21.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

As required under SEBI LODR Regulations, the Management Discussion and Analysis Report is enclosed as a part of this Report.

CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

The Company has taken adequate steps to adhere to all the stipulations laid down in Regulation 34 of SEBI LODR Regulations, till commencement of CIRP. A report on the Corporate Governance is included as a part of this Annual Report. A Certificate from the Statutory Auditors of the Company, M/s. G. Nagendrasundaram & Co., Chartered Accountants, confirming compliance with the conditions of the 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 2020-21 to NSE and BSE where the Company's shares are

listed.

DEMATERIALIZATION OF SHARES:

96.82% of the Company's paid-up equity share capital is in dematerialized form as on 31st March 2020 and balance 3.18% is in physical form. The Company's Registrars are XL Softech Systems Limited, having their Registered Office at 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500034.

Number of Board Meetings held :

The Board of Directors duly met 5 (five) times during the period from 1st April 2019 till commencement of CIRP. The Meetings were held on 23rd May 2019, 8th August 2019, 20th August 2019, 11th November 2019 and 10th January 2020.

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 Act, till commencement of CIRP.

RESOLUTION PROFESSIONAL'S RESPONSIBILITY STATEMENT:

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

- in the preparation of the annual accounts for the year ended 31st March 2020, has followed the applicable accounting standards along with proper explanation relating to material departures;
- has 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;
- has taken proper and sufficient care for 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;
- has prepared the annual accounts on a going concern basis;
- has laid down internal financial controls and these are adequate and are operating effectively.
- has devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

AUDIT OBSERVATIONS :

The observations given by the Auditors are suitably explained in the Notes to Accounts and are self-explanatory.

AUDITORS:

1) Statutory Auditors :

M/s. G. Nagendrasundaram & Co., Chartered Accountants, Hyderabad, have been appointed as the Statutory Auditors for a period of 5 years at 31st Annual General Meeting until conclusion of 36th Annual General Meeting, subject to ratification every year at AGM.

ii) Secretarial Audit :

M/s. Manjula Aleti & Associates, Practicing Company Secretaries, Hyderabad, have been appointed as the Secretarial Auditors to conduct the Secretarial Audit of the Company for the Financial Year 2019-20. The Secretarial Audit Report for the year ended 31st March 2020 (in Form MR-3) submitted by them is enclosed to this Report as Annexure-A.

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

Information on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo as required under Section 134 of the Act, read with the Companies (Accounts) Rules, 2014, is enclosed to this Report as Annexure-B.

CORPORATE SOCIAL RESPONSIBILITY (CSR) :

In terms of Section 135 and Schedule VII of the Act, the Board of Directors of the Company have constituted a CSR Committee with appropriate Directors. CSR Committee has developed a CSR Policy for healthcare and education activities, which is enclosed to this Report as Annexure-C. Additionally, 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 terms of Section 177(9) & (10) of the Act, 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 :

The 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. The transactions with related parties entered into by the Company in the normal course of business were periodically placed before the Audit Committee for its omnibus approval and the particulars of such contracts entered during the year as per Form AOC-2 is enclosed to this Report 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 Act, the Rules made thereunder and the Listing Agreement. This Policy which 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 hereto.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of loans, guarantees and investments covered under Section 186 of the Act 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 of the Act 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 during FY 2019-20 (₹ Lakhs)	Remuneration paid during FY 2018-19 (₹ Lakhs)	Increase / Dec in (%)
1.	Mr. K. Suryanarayana	Executive Chairman (upto 28/01/2020)	29.71	39.12	(-) 24.05
2.	Mr. Sridhar Kamineni	Managing Director (KMP) (upto 28/01/2020)	29.71	49.44	(-) 39.91
3.	Ms. Priyanka Garg*	CS (KMP) (upto 29/02/2020)	2.20	1.92	---
4.	Mr. J. Ramamuni Reddy**	CFO (KMP) (from 11/02/2019)	8.40	1.17	---

* Ms. Priyanka Garg was in employment of the Company during FY 2018-19 from 13/06/2018 to 31/03/2019 and during FY 2019-20 from 01/04/2019 to 29/02/2020.

** Mr. J. Ramamuni Reddy is in employment of the Company during FY 2018-19 from 11/02/2019 to 31/03/2019 and during FY 2019-20 from 01/04/2019 to 31/03/2020.

Particulars of Employees:

As required under the Act and Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, there are no employees falling under the category and 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:

I take this opportunity to express thanks to various departments of the Central and State Governments, ONGC, Oil India Limited, multinational companies operating in India and abroad for oil and gas exploration and drilling, the Bankers, the Material Suppliers, the Customers and the Shareholders, for their continued support and guidance. I wish to place on record my appreciation for the dedicated efforts put in by the Engineers and the Employees of the Company at all levels.

For OIL COUNTRY TUBULAR LIMITED

Sd/-

Sisir Kumar Appikarla

Resolution Professional

IP Registration No.IBBI/IPA-001/

IP-P00751/2017-18/11283

Place : Hyderabad

Date : 03.09.2020

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, 2020

To
The Members
Oil Country Tubular Limited
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 M/s. 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.

In accordance with the provisions of section 7 of the Insolvency and Bankruptcy Code 2016, the Corporate Insolvency Resolution Process (CIRP) of the company was initiated by the Financial Creditor. The petition to initiate the CIRP Process was admitted by the National Company Law Tribunal ("NCLT"), Hyderabad Bench, vide its order CP(IB) no 220/07/HDB/2019, Dated 28.01.2020, an Interim Resolution Professional (IRP) was appointed to manage the affairs of the company, on appointment of Resolution Professional the powers of the Board of Directors of the Company were suspended.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company till 27.01.2020 and later maintained by IRP 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, 2020, 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, 2020 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 (Not applicable to the company during the Audit Period).
- (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;
 - c. 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;
 - d. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

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 (Delisting of Equity Shares) Regulations, 2009;
- c. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- e. 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;
- 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 Companies Act, 2013 Rules, Regulations, Guidelines, Standards, etc. in respect of the above:

I further report that:

- During the year Shri. T.S. Sethurathnam resigned on 08.08.2019, Shri. A.P Vittal has been resigned on 11.11.2019, Shri. K.V.Ravindra Reddy has been resigned from the Board of Directors on 10.01.2020 and Mrs. Lakshmi kiranmayi Annambotla resigned as an Independent Women Director and Ms. Priyanka Garg, whole time company Secretary from the Board w.e.f. 29.02.2020, as on the closure of financial year the company has not been constituted with the Board composition of Executive, Non-Executive and Independent Directors.

However as per information provided by the Management the Company, the Financial Creditor submitted its application with National Company law Tribunal ("NCLT"), Hyderabad bench for admission under Corporate Insolvency Resolution Process (CIRP) under Section 7 of IBC, 2016 and the same was admitted to CIRP on 28 January, 2020 Interim Resolution Professional (IRP) was appointed to manage the affairs of the company, on appointment of Resolution Professional the powers of the Board of Directors of the Company were suspended. □ 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:

As the company was admitted to the Corporate Insolvency and Resolution process by NCLT on 28th January, 2020 vide its order No. CP(IB) no 220/07/HDB/2019, Accordingly powers of Board are suspended and vested with Insolvency Resolution Professional (IRP). The IRP exercising the powers in consultation with Committee of Creditors (CoC) under the provisions of Insolvency and Bankruptcy Code, 2016 and There were ONE (1) CoC meeting held on 29th February, 2020 during the Financial year 2019-20, apart from the 5 (Five) Board meetings Held till the receipt of CIRP order.

For **MANJULA ALETI**
Company Secretary in Practice

Place : Hyderabad
Date : 03.09.2020

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

UDIN: F010380B000656841

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.

To
The Members
Oil Country Tubular Limited
9, Kanchanjunga
King Koti Road
Hyderabad -500001

My 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. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the company with respect to secretarial compliances.
3. I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for me to provide a basis for my opinion.
4. I 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

Place : Hyderabad
Date : 03.09.2020

UDIN: F010380B000656841

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