

Thirty Fifth Annual Report 2020-2021



Oil Country Tubular Ltd.
India

CORPORATE INFORMATION

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)

MR. SURYANARAYANA KAMINENI : CHAIRMAN
MR. SRIDHAR KAMINENI : DIRECTOR

COMPANY SECRETARY AND COMPLIANCE OFFICER

: PUDIPEDDI SITARAMALINGA SWAMY

REGISTERED OFFICE

: 9, Kanchanjunga, King Koti Road
Hyderabad – 500001, Telangana
Phone: +91-40-24785555
Fax: +91-40-24759295
Website: www.octlindia.com
Email: demat@octlindia.com

BANKERS

: State Bank of India
Indian Bank (Allahabad Bank)
Indian Overseas Bank

AUDITORS

: M/s. G. Nagendrasundaram & Co.
Chartered Accountants
Flat No.B-502, Pasha Court
6-3-680, Somajiguda
Hyderabad – 500082, Telangana

CHIEF FINANCIAL OFFICER

: Mr. Ramamuni Reddy Jampanapalle

WORKS

: Sreepuram
Narketpally Mandalam
Nalgonda District - 508254, Telangana

REGISTRARS & TRANSFER AGENTS

: XL Softech Systems Limited
3, Sagar Society
Road No.2, Banjara Hills
Hyderabad - 500034, Telangana
Phone: +91-40-23545913
Email: xlfield@gmail.com

NOTICE TO MEMBERS



Notice is hereby given that the 35th Annual General Meeting of the Members of Oil Country Tubular Limited will be held on Tuesday, the 28th Day of September, 2021 at 03:00 P.M. (I.S.T), through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) facility 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, Telangana - 500 001, Telangana, India.

Background:

This is to apprise the Members that a Corporate Insolvency Resolution Process ('CIRP') has been initiated for 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. 220/7/HDB/2019 ('order'). Further, vide the aforesaid NCLT order and pursuant to Section 17 of the 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 Appikatla (IP Registration No. IBBI/IPA-001/IP-P00751/2017- 2018/11283). His appointment was subsequently confirmed by the Committee of Creditors ('COC') as the Resolution Professional (the 'RP'). Accordingly, Mr. Sisir Kumar Appikatla 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 the RP during the continuance of the CIRP as per the provisions of the IBC. In view thereof, the 35th 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, 2021 and the Audited Balance Sheet and the Audited Cash Flow Statement as at that date together with Resolution Professional's Report and Auditor's Report thereon.
2. To appoint the Statutory Auditors of the Company and to fix their remuneration.

For OIL COUNTRY TUBULAR LIMITED

Sd/-

Sisir Kumar Appikatla

Resolution Professional

Place: Hyderabad

IP Registration No. IBBI/IPA-001/

Date: 13.08.2021

IP-P00751/2017-18/11283



NOTES:

1. In compliance with the provisions of the Ministry of Corporate Affairs ("MCA") General Circular No. 02/2021 dated 13th January, 2021 and MCA General Circular No. 20/2020 dated 5th May 2020 read together with MCA General Circulars Nos. 14/2020 dated 8th April 2020 and 17/2020 dated 13th April 2020; and Securities and Exchange Board of India ("SEBI") Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, the 35th 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 Companies Act, 2013 ("the Act").
4. The Members can join AGM in VC / OAVM mode 15 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.
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.

NOTICE TO MEMBERS



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. The Register of Members and Transfer Books of the Company will be closed from Wednesday, 22nd September 2021 to Tuesday, 28th September 2021 (both days inclusive) for the purpose of AGM.
12. Unclaimed dividend for the year(s) 2012-2013 and 2013-14 are transferred to IEPF due to completion of 7 (seven) years.
13. 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.
14. ELECTRONIC DISPATCH OF NOTICE AND ANNUAL REPORT: In accordance with MCA General Circular No. 20/2020 dated 5th May 2020 & MCA General Circular No. 02/2021 dated 13th January, 2021 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 & Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021, 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 2021, 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).
15. 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.
16. A copy of the Notice of AGM alongwith Annual Report for the Financial Year 2020-21 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>.
17. 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.
18. 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 26th September 2021, 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.

NOTICE TO MEMBERS



19. Alternatively, the Members holding shares as on the cut-off date, i.e., 22nd September 2021, 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 26th September 2021.
20. The Members can also post their questions during AGM through 'Ask A Question' tab, which is available in VC/OAVM Facility.
21. The Company, at AGM, will address the queries received till 3.00 p.m. of 26th September 2021 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.
22. **SPEAKER REGISTRATION BEFORE AGM:** The Members of the Company, holding shares as on the cut-off date, i.e., 22nd September 2021 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.
23. The detailed procedure with respect to e-voting at AGM is given at the end of the 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: 13.08.2021

RESOLUTION PROFESSIONAL REPORT



To the Members,

OIL COUNTRY TUBULAR LIMITED

The Resolution Professional takes pleasure in presenting the 35th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2021.

FINANCIAL RESULTS:

The financial performance during the period ended 31st March, 2021 is as under:

(₹ In Lakhs)

Particulars	2020-21	2019-20
Gross Income	499.07	1315.33
Loss Before Finance Charges and Depreciation	876.80	2226.02
Finance Charges	2164.64	1860.96
Gross Loss	3041.44	4086.98
Provision for Depreciation	2046.14	2104.50
Net Loss Before Tax	5087.58	6191.48
Provision for Tax	0.00	21.54
Net Loss After Tax	5087.58	6213.02

OPERATIONS:

The Gross Income of the Company is ₹ 499.07 lakhs during the current financial year 2020-21 as against ₹ 1315.33 lakhs during the previous financial year. The Company is undergoing CIRP and this has caused an adverse impact on the operations of the Company as one of the main reasons for low turnover.

The company is following accrual basis of accounting as per the provisions of the Companies Act, 2013. Accordingly, interest accrued on the loans outstanding amounting to ₹ 4485.65 lakhs are recognized in the books of account for accounting purpose only. However, interest recognized after commencement of CIRP shall not form part of CIRP cost. The reason being the amount admitted by the IRP/RP are crystallised as on the date of commencement of the CIRP. Hence, no further interest is considered during the CIRP period for the purpose of arriving at the CIRP cost.

STATUS OF CORPORATE INSOLVENCY RESOLUTION PROCESS (CIRP):

The present situation is summarized as follows:

The Hon'ble NCLAT vide its order dated 07.12.2020 held that the CIRP has to be conducted and carried on in accordance with the provisions of the Code which prescribes timelines and that withdrawal of the application (under Section 12A) based on consideration by Committee of Creditors and settlement are part of the same process.

Form-G was published on 26.03.2021, calling for an EOI. As per the published form-G, the deadline for the submission of the resolution plans by the prospective resolution applicants was fixed as 25.05.2021, keeping in view the time line of 90 days fixed by Honorable NCLT for the completion of CIRP, vide its orders dated 25.03.2021.

In view of the pandemic situation and Lock down, the COC in its 11th meeting held on 17.05.2021 extend the deadline for the submission of resolution plans by the prospective resolution applicants until 6 P.M on 30.06.2021, in lieu of the dead line of 25.05.2021 as per the form-G published on 26.03.2021.

During the 11th meeting of the COC held on 17.05.2021, The RP informed the members that he had received mails from IOB and Indian Bank informing the receipt of funds by them under their earlier compromise proposal. The RP sought oral confirmation in front of all the members of the COC from the above lenders. In response Mr. Koustav Majumder, representing the IOB and Mr. Santanu Bal, representing the Indian Bank re-confirmed the receipt of the funds into their respective No lien accounts. Mr. G.V. Sastry, DGM, representing SBI confirmed that they have received the funds into their No lien Account. The RP clarified to the floor that such No lien accounts are not under the control of the RP and hence, the receipts are outside the CIRP.



During the 12th meeting of the CoC held on 30.06.2021, the RP informed the members that he has received 3 resolution plans in sealed covers, physically between 5.30P.M to 6 P.M, on 30.06.2021, under due acknowledgement with time and date stamp. The sealed covers have been received from the following resolution applicants

1. M/s Maharashtra Seamless Limited
2. M/s Vibhor Steel Tubes Private Ltd and
3. M/s One Developers Private Limited

As informed by SBI during the 12th meeting of the CoC that the Bank has been restrained from exercising any rights as a creditor of the Corporate Debtor by the Hon'ble High Court of Telangana vide its order dated 27.05.2021 in I.A No. 1 of 2021 in W.P No. 12451 of 2021.

At the 12th CoC meeting held on 30.06.2021, all the members of the CoC except SBI resolved not to open the resolution plans received by the Resolution Professional and also authorized the Resolution Professional to file an application under Section 12A and seek necessary directions from the Hon'ble Adjudicating Authority. Further, SBI stated that it will reserve its decision on Section 12A till the opening of the bids (resolution plans).

As per Regulation 30A of the CIRP Regulations, a withdrawal application under Section 12A of the Code is to be made in form FA which needs to be filed by the Applicant through the Resolution Professional. In the instant case, the Applicant under Section 7 is SBI. However, SBI is restrained from exercising any rights as a creditor of the Corporate Debtor.

The other members of the CoC of the Corporate Debtor, other than SBI have authorized the Resolution Professional through a properly voted resolution, to file an application under Section 12A of the Code before this Hon'ble Adjudicating Authority.

The Hon'ble High Court of Telangana, during the hearing on 05.07.2021, has directed that the CIRP shall be continued till the disposal of the Writ Petition WP.no 12451, in an implead petition filed by M/s Vibhor Steel tubes Pvt Ltd, one of the prospective resolution applicants.

The RP has filed an IA seeking the indulgence of the Hon'ble Tribunal to give appropriate directions for carrying out the CIRP of the Corporate Debtor and to issue appropriate directions to the resolution professional with regard to the withdrawal of Application under Section 12A of the Code.

PROSPECTS:

The Company expects to have the raw material in place if it is resolved under the IBC code 2016 during the year 2021-2022.

The Company is in the business of producing, Casing, Tubing and Drill Pipe that 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 63.16USD/ barrel. Brent crude oil serves as the benchmark price for purchase of oil worldwide.

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 government has notified amendments to General Financial Rules (GFR) to ensure that goods and services valued less than ₹ 200 crore are being procured from domestic firms only, which further strengthen the Domestic Local manufacturing which is positive step for OCTL, 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 it is resolved under the provisions of the IBC, 2016, during the year 2021-2022

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 2021-22 to NSE and BSE where the Company's shares are listed.

DEMATERIALISATION OF SHARES:

96.84% of the Company's paid-up equity share capital is in dematerialized form as on 31st March 2021 and balance 3.16% 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:

Consequent to the Commencement of CIR Process, the powers of the Board of Directors stands suspended and as per Regulation 15(2A) and (2B) of the Listing Regulations, the provisions specified in Regulations 17 of the Listing Regulations relating to Board of Directors are not applicable to the Company. The roles and responsibilities of the Board of Directors are being fulfilled by the RP in accordance with the provisions of Section 17 and 23 of the Insolvency Code w.e.f. January 28, 2020. RP held meetings with the management of the Company for consideration and approval of quarterly/yearly financial results in terms of Section 134 of the Act and Regulation 33 of the Listing Regulations.

INDEPENDENT DIRECTORS DECLARATION:

Independent Directors declaration is Not Applicable to the Company as the independent directors resigned from the Company. Also the powers of the board stood suspended after initiation 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:

- a. in the preparation of the annual accounts for the year ended 31st March 2021, has followed the applicable accounting standards along with proper explanation relating to material departures;
- b. 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;
- c. 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;
- d. has prepared the annual accounts on a going concern basis;
- e. has laid down internal financial controls and these are adequate and are operating effectively.
- f. 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:**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.

Secretarial Auditors:

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 2020-21. The Secretarial Audit Report for the year ended 31st March 2021 (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 of the Act, the Board of Directors of the Company have constituted a CSR Committee. Consequent to the Commencement of CIRP, the powers of the Board of Directors and its Committees stands suspended and as per Regulation 15(2A) and (2B) of the Listing Regulations, the provisions specified in Regulations 17, 18, 19 and 20 of the Listing Regulations relating to Board of Directors and its Committees are not applicable to the Company. The roles and responsibilities of the Board of Directors and its Committees are being fulfilled by the RP in accordance with the provisions of Section 17 and 23 of the Insolvency Code w.e.f. January 28, 2020. However the details with respect to CSR are given in Annexure-C and 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. Transactions with related parties entered by the Company in the normal course of business are periodically placed for its omnibus approval and the particulars of contracts entered during the year as per Form AOC-2 is enclosed as Annexure-D.

The Company has adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, and the Rules made thereunder and the Listing Agreement. This Policy was considered and approved and 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 and also placed on the website of the Company at www.octlindia.com

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.