

18th ANNUAL REPORT 2000



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United Drilling Tools Ltd.



UNITED DRILLING TOOLS LTD.

BOARD OF DIRECTORS

MR. PRAMOD KUMAR GUPTA
(Chairman Cum Managing Director)
M.S.I.E., P.E. (U.S.A.)

MR. S. S. K. BHAGAT
Civil Engennering Graduate
Retired Chief Engineer, NDMC New Delhi

MR. MANISH AGRAWAL
B.Com., P.G.D.B.M.

AUDITORS

AGRAWAL DHRUV & COMPANY
First Floor, 1649, Main Bazar,
Pahar Ganj, New Delhi
PIN-110055

WORKS & HEAD OFFICE

1D, Block-B, Sector-10.,
NOIDA, 201301
DISTT. GAUTAM BUDHA NAGAR (U.P.)

REGISTERED OFFICE

B-94, Shashi Garden
Patpar Ganj,
DELHI-110091

**Please note that no Gifts/Coupons
shall be distributed at the meeting.**

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UNITED DRILLING TOOLS LTD.

NOTICE

Notice is hereby given that the 18th Annual General Meeting of the Company will be held at Bawa Palace, U-38, Shakarpur, Mother Dairy Road, Delhi-92, on Friday, the 29th September, 2000 at 11.30 a.m. to transact the following business :

AS AN ORDINARY BUSINESS

1. To receive, consider and adopt the profit and loss account for the year ended 31st March, 2000 and Balance sheet of the Company as on that date alongwith director's Report and Auditor's Report thereon.
2. To appoint a director in place of Mr. S.S.K. Bhagat, who retires by rotation and being eligible offer himself for re-appointment.
3. To appoint auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration. M/s Agrawal Dhruv & Co. Chartered Accountants, 1649, Main Bazar, Pahar Ganj, New Delhi, being eligible offer themselves for re-appointment.

SPECIAL BUSINESS

4. To Consider & if thought fit to pass with or without modification the following resolution as an ordinary resolution :-
"Resolved that pursuant of section 292, 293 & other enabling applicable provisions, if any of the companies Act, 1956 and Subject to approval if any required and such other approvals of the appropriate authorities if require the consent of the company be and is hereby accorded that for the purpose of giving effect to any act as prescribed in section 292, 293 and other enabling applicable provisions, the Board of Director be and is hereby authorised on behalf of the company to act upon the sale, transfer or otherwise dispose of its product lines alongwith its technology, equipments, personal and to Act upon the Transfer Agreement hereby agreed by the company to do all such acts, deed matters and things as it may in its discretion deem necessary and desirable for such purpose of transferring as per above agreements.

"Resolved further that the Board of Director be & is here by authorised to delegate all or any of the power here in conferred to any committee of Directors or Managing Director or any whole time Director or any other officers of the company to give effect to the aforesaid resolution."

Regd. Office:

B-94, Shashi Garden
Patparganj,
Delhi-110 091.
Dated : 1.9.2000

By order of the Board of Directors
For **UNITED DRILLING TOOLS LTD.**

(PRAMOD KUMAR GUPTA)
(Chairman Cum Managing Director)

NOTICE FOR MEMBERS ATTENTION

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE AFORESAID MEETING.
3. The register of member and share transfer book of the company shall remain closed from 25.09.2000 to 29.09.2000 (both days inclusive).
4. The members desirous of obtaining any information concerning the accounts and the operation of the Company



UNITED DRILLING TOOLS LTD.

are requested to send their queries to the company at least seven days before the date of the Meeting, so that the information required by the members can be made available at the meeting.

5. Members are requested to bring their copy of the Annual Report alongwith them at the Annual General Meeting. No copies of the Report will be distributed at the meeting.

Regd.Office:
B-94, Shashi Garden,
Patparganj, Delhi-110 091.
Dated : 1.09.2000

By order of the Board of Directors
For **UNITED DRILLING TOOLS LTD.**

(PRAMOD KUMAR GUPTA)
(Chairman Cum Managing Director)

EXPLANATORY STATEMENT

Pursuant to the provision of section 173(2) of the companies Act 1950

Item No. 4

Members are hereby informed that immediately after the incorporation of the company it started the business of manufacturing of various products for oil industry.

Members are hereby informed that in order to consolidate some of product lines and in order to ease cash flow, Directors are hereby proposing to sell and transfer balance of its products lines alongwith technology, equipment and personal as per agreement agreed by the company.

Copies of agreement is available at Company's Registered office for inspection from 1.9.2000. The copy of agreement can also be supplied on request, copy of agreement can also be seen at Annual General Meeting.

The Board of Director Commends the resolution for your approval.

No Director of the company is interested or concern in the resolution.

Regd.Office:
B-94, Shashi Garden
Patparganj, Delhi-110 091.
Dated : 1.09.2000

By order of the Board of Directors
For **UNITED DRILLING TOOLS LTD.**

(PRAMOD KUMAR GUPTA)
(Chairman Cum Managing Director)

DIRECTOR'S REPORT

Shareholders

The Directors have pleasure in presenting their 18th Annual Report on Business & opeation & Audited Statement of Account for the year ending 31st March 2000.

1. Financial Results :

	1999-2000 (Rs.In lacs)	1998-99 (Rs. In lacs)
Sales and other Income	51.44	80.57
Gross Profit/Loss	13.98	35.18
Profit before Depreciation	(15.04)	(4.89)



UNITED DRILLING TOOLS LTD.

Depreciation	7.12	5.87
Proposed dividend	NIL	NIL
Profit/Loss during the year	(22.16)	(10.76)
To which is added profit/loss	(421.20)	(399.04)
Brought forward from previous year		

2. OPERATION

Your company is still facing difficulties in performing to optimum standards due to lack of sufficient working capital even though it has continuously followed up with banks & other institutions for enhanced limits. Your company is also trying to get loan from SIDBI with prior approval of UPFC, In spite of above problems. Its products are very much liked by Indian Oil companies such as ONGC & Oil India and private drilling contractors where the company has made good strides.

Your company is also trying to establish its product in the export market by appointing overseas agent, by regular follow-up and discussions with the foreign buyers. Your company is still in the process to appoint sales representatives in middle east, USA and Canada and hope to get orders from the foreign buyers.

Your company has good orders backlog in hand and the company will start showing satisfactory performance as soon as working capital availability is achieved.

3. DIRECTORS

Mr. S.S.K. Bhagat director to be retired by rotation at the ensuring Annual General Meeting and being eligible to offer their candidature for re-appointment.

4. PARTICIPATION OF EMPLOYEES

In accordance with the provision of section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended by the Company's (Amendment) Act, 1988, the statement is not being annexed as the same is not applicable since no employee drew the stipulated amount of salary as provided in the rules.

5. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION ETC.

As required by the companies (Disclosure of Particulars in the report of Board of Directors) Rule, 1988, Particulars relating to conservation of energy, Technology absorption, Foreign exchange earning and outgo are given in the Annexure which forms part of this report.

6. AUDITORS

M/s Agrawal Dhruv and Company, Chartered Accountant, New Delhi, the retiring auditor of the company, being eligible offer themselves for re-appointment.



UNITED DRILLING TOOLS LTD.

7. ACKNOWLEDGEMENT

Your directors wish to place on record their appreciation for the continued support of the customer, Financial Institutions and suppliers. Your Directors also wish to record the appreciation for the valuable contribution made by employees at all levels and the continued support of your collaborators. On behalf of the Board of Directors, I would like to convey to our hon'ble Members our thanks for their invaluable support and confidence they have reposed in the management of the Company and hope they will continue to give their support in full spirit in the years.

Regd. Office:
B-94, Shashi Garden,
Patparganj,
Delhi-110 091.
Dated : 01.9.2000

By order of the Board of Directors
For **UNITED DRILLING TOOLS LTD.**

(PRAMOD KUMAR GUPTA)
(Chairman Cum Managing Director)

ANNEXURE 1 TO DIRECTOR'S REPORT

Particulars as required under Companies (Disclosure of particulars in the Report to Board of Directors) Rules, 1988.

1. CONSERVATION OF ENERGY

Your company does not fall under the list of industries which are required to furnish information in respect to Conservation of Energy.

2. RESEARCH AND DEVELOPMENT

- (a) **Specific Area on which R & D is carried out by the Company:** The Company carried out R&D for the purpose of new product development, Import Substitution as well as for development and evaluation of alternate processes and raw materials.
- (b) **Benefit derived as a result of the above R&D:** R&D provides valuable support to the Business through innovation of New products and processes, many of which have been transferred to the plant, R&D results in improvement of quality and reduction in cost.
- (c) **Future plan of action :** New R & D is being established for Developing & Improving existing as well as new products.
- (d) **Expenditure on R&D :** Expenditure on R&D have been charged under primary heads of account.

3. TECHNOLOGY ABSORPTION, ADAPTION & INNOVATION

(A) <u>TECHNOLOGY IMPORTED</u>	Year of Import	Absorption
(i) Manufacture of Down Hole Tools	1986	Full
(ii) Manufacture of Gas Lift Equipments	1988	Full
(iii) Manufacture of Handling Tools	1989	Full
(iv) Manufacture of Wireline Winches	1996	Full
(v) Manufacture of different type of connectors	1998	50%

**UNITED DRILLING TOOLS LTD.**

- (b) **BENEFIT DERIVED THROUGH IMPORTED TECHNOLOGY** : It results in improvements in quality, developing import substitutes and new products.

4. **FOREIGN EXCHANGE EARNING & OUTGO**

Foreign Exchange Earning and outgo during this year is as under :-

- (a) Outgo :- Total foreign exchange outgo including cost of
- | | |
|---------------------------------|---------------|
| Imported materials in 1999-2000 | Rs.1146983.51 |
| Previous Year | Rs.1657739.84 |
- (b) Earning :- Physical Export earnings are 14835.00 (Previous year 8820.00) and Deemed Export earnings are Rs.4745322.00 (previous year Rs.4823806.30)

